

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

Library
Legislative Unit
UNITED STATES
DEPARTMENT OF AGRICULTURE
LIBRARY



BOOK NUMBER L 8.9
C79P388

552257

LEGISLATIVE HISTORY

Public Law 388--79th Congress

Chapter 268--2d Session

H. R. 4761

TABLE OF CONTENTS

Digest of Public Law 388	1
Index and Summary of History on H. R. 4761	2

333
111

THE

THE

THE

THE

THE

THE

552257
552257

DIGEST OF PUBLIC LAW 388

VETERANS' EMERGENCY HOUSING ACT OF 1946. Provides for appointment of a Housing Expediter with authority to formulate a program to provide for an increased supply of housing, particularly for veterans; to establish ceiling prices on housing accommodations completed after the effective date of the Act; and to establish priorities for building materials and facilities for housing, including farm buildings. Authorizes \$400,000,000 for subsidies to spur production of housing materials, and provides that \$15,000,000 of this may be made available for construction of access roads to standing timber on Government lands. Provides for market guarantees on new-type housing. Fixes the termination date of the Act at Dec. 31, 1947.

INDEX AND SUMMARY OF HISTORY ON H. R. 4761

November 20, 1945	H. R. 4761 introduced by Rep. Patman and was referred to the House Committee on Banking and Currency. Print of the bill as introduced.
December 3, 1945	Hearings: House, "H. R. 4761.
February 14, 1946	House Committee reported H. R. 4761 with amendments. House Report 1580. Print of the bill as reported.
February 21, 1946	House Rules Committee reported House Resolution 530 for the consideration of H. R. 4761. House Report 1593.
February 26, 1946	House began debate on H. R. 4761. Remarks of Reps. Monroney, Forand, and Ramey.
February 27, 1946	Debate continued. Remarks of Reps. Patterson and Patman.
February 28, 1946	Debate continued. Remarks of Reps. Sabath, Gavin, Shafer, Auchincloss, and Henry.
March 1, 1946	Debate continued. Remarks of Reps. Douglas, LeFevre, and Sabath.
March 4, 1946	Debate continued. Remarks of Reps. Wolcott, Woodruff, and Sabath.
March 5, 1946	Debate continued. Remarks of Reps. Fiemiller, Dolliver, Buffett, and Jensen.
March 6, 1946	Debate continued. Remarks of Reps. Wolcott, Case, and Patman.
March 7, 1946	Debate concluded and passed with amendments.
March 8, 1946	Referred to the Senate Committee on Banking and Currency. Print of the bill as referred.
March 26, 1946	Hearings: Senate, H. R. 4761.
April 5, 1946	Senate Committee reported H. R. 4761 with amendments. Senate Report 1130. Print of the bill as reported. Remarks of Rep. Patman.
April 8, 1946	Senate began debate on H. R. 4761.
April 9, 1946	Senate debate continued. Amendments proposed by Senators Johnson and McClellan. Prints of the amendments.
April 10, 1946	Senate debate concluded. Passed Senate with amendments
April 11, 1946	Print of the bill with the Senate amendments numbered.

April 15, 1946

House and Senate Conferees appointed.

Remarks of Rep. Durham.

May 10, 1946

House received Conference Report. House Report 2000.

Remarks of Rep. Barden.

May 13, 1946

Both Houses agreed to Conference Report.

May 22, 1946

Approved. Public Law 388.

79TH CONGRESS
1ST SESSION

H. R. 4761

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 1945

Mr. PATMAN introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the National Housing Act, as amended, is amended
4 by inserting after title VI thereof a new title, as follows:

5 “TITLE VII—STABILIZATION OF HOUSING PRICES

6 “SEC. 701. (a) The purposes of this title are to stabilize
7 the prices of real estate to be used for housing purposes, and
8 to prevent speculative, unwarranted, and abnormal increases

1 in the selling prices of such real estate; to eliminate and
2 prevent profiteering in the sale of real estate for housing
3 purposes, the hoarding of materials necessary for the con-
4 struction of housing and other buildings, and other disruptive
5 practices; to encourage the production of housing at a fair
6 profit; to improve the housing of the people of the Nation
7 in order to foster their health and general welfare; to en-
8 courage employment in the housing construction industry,
9 and to maintain such industry at a high level of productivity;
10 to prohibit an undue dissipation of the savings of the people
11 in the Nation in the purchase of homes at speculative prices;
12 to permit returning veterans to acquire housing at fair
13 prices; and to prevent a post-emergency collapse of values
14 in the housing field and to promote a swift and orderly
15 transition to a peacetime economy.

16 “(b) The provisions of this title, and all regulations
17 and orders issued thereunder, shall terminate on December
18 31, 1947, or upon the date specified in a concurrent reso-
19 lution by the two Houses of the Congress, declaring that
20 the provisions of the Act are no longer necessary to deal
21 with the existing national emergency, whichever date is
22 the earlier.

23 “(c) The provisions of this Act shall be applicable to
24 the United States, its Territories and possessions, and the
25 District of Columbia.

1 “SEC. 702. (a) There is hereby created the Office of
2 Housing Stabilization, which shall be headed by a Director
3 of Housing Stabilization (hereinafter called the “Director”).
4 The Director shall be appointed by the President, by and
5 with the advice and consent of the Senate, and shall receive
6 compensation at the rate of \$12,000 per annum. The
7 Director may, subject to the civil-service laws, appoint such
8 employees as he deems necessary in order to carry out
9 his functions and duties under this title, and shall fix their
10 compensation in accordance with the Classification Act of
11 1923, as amended.

12 “(b) The Director shall formulate and develop a com-
13 prehensive national program to effectuate the purposes of
14 this title. In order to carry out this program, the Director
15 shall have the power to issue directives on policy to those
16 Federal departments and agencies which have functions
17 relating to or affecting housing.

18 “SEC. 703. The Director is authorized to make such
19 studies and investigations, to conduct such hearings, and to
20 obtain such information as he deems necessary or proper to
21 assist him in formulating policies, issuing regulations, and
22 performing any other functions under this title. The
23 Director is authorized to require any person who owns,
24 holds an interest in, deals in, or offers to sell or to buy
25 any housing accommodations to furnish information under

1 oath or affirmation or otherwise, to make and keep records,
2 and to make reports. The Director may require any such
3 person to permit the inspection and copying of records and
4 other documents and the inspection of housing accommo-
5 dations. For the purpose of obtaining any information
6 under this section, the Director may by subpoena require
7 any such person to appear and testify or to appear and
8 produce documents, or both, at any designated place. In
9 case of refusal to obey a subpoena served upon any person
10 under this section, the court for any district in which such
11 person is found or resides or transacts business, upon ap-
12 plication by the Director, shall have jurisdiction to compel
13 compliance with such subpoena.

14 “No person shall be excused from complying with any
15 requirements under this section because of his privilege
16 against self-incrimination, but the immunity provisions of the
17 Compulsory Testimony Act of February 11, 1893 (U. S. C.,
18 1934 edition, title 49, sec. 46), shall apply with respect to
19 any individual who specifically claims such privilege.

20 “SEC. 704. (a) Whenever in the judgment of the
21 Director the sales prices of housing accommodations have
22 risen or threaten to rise to an extent or in a manner incon-
23 sistent with the purposes of this Act, he may by regulation
24 or order establish maximum sales prices for housing accom-
25 modations in accordance with the provisions of this title.

1 Any such regulation or order may be limited in its scope
2 to such geographical area or areas and to such types or
3 classifications of housing accommodations as in the judg-
4 ment of the Director may be necessary to effectuate the
5 purposes of this title. Before issuing any regulation or
6 order under this section, the Director shall, so far as prac-
7 ticable, advise and consult with representative members of
8 industries affected by such regulation or order, and he shall
9 give consideration to their recommendations and to any
10 recommendations which may be made by State and local
11 officials concerned with housing conditions in any area
12 affected by such regulation or order.

13 “(b) Any regulation or order issued under the au-
14 thority of this title establishing maximum sales prices for
15 housing accommodations the construction of which is com-
16 pleted after the effective date of this title shall provide for
17 the fixing of a maximum sales price consisting of (i) the
18 actual costs of the construction of the unit which are not
19 in excess of the legal maximum prices of the materials and
20 services entering into such construction, (ii) the fair market
21 value of the land sold with the housing accommodation,
22 but in no event less than the actual cost of land purchased
23 prior to the effective date of this Act, and (iii) a margin
24 of profit reflecting the generally prevailing margin of profit
25 upon comparable units during the calendar year 1941. Any

1 prospective seller of such housing accommodations may
2 apply for the establishment of a maximum sales price at
3 any time, including before the commencement of construc-
4 tion, during its progress, or after its completion. In any
5 case where a maximum sales price has been fixed on a
6 basis of estimated costs the prospective seller may, at any
7 time before the first sale and upon a showing that the actual
8 legal costs have substantially exceeded the estimated costs,
9 apply for such revision of the maximum sales price as may
10 be justified under the circumstances; and the Director may
11 similarly reduce the maximum sales price if the estimated
12 costs were substantially in excess of the actual legal costs.
13 No subsequent sale of such newly constructed housing accom-
14 modation shall be at a higher price than that established
15 for the first sale.

16 “(c) Any regulation or order issued under the authority
17 of this title establishing maximum sales prices for housing
18 accommodations in existence and occupied on or prior to
19 the effective date of this title shall establish as the maximum
20 prices the price of the first bona fide sale of such housing
21 accommodations after the effective date of this title.

22 Any regulation or order under this subsection shall
23 provide for the making of appropriate adjustments in the
24 maximum sales price where substantial improvements have
25 been made subsequent to the last sale.

1 “(d) The Director may promulgate such regulations
2 as he deems necessary and proper to carry out any of the
3 provisions of the title and may exercise any power or
4 authority conferred upon him by this title through such
5 department, agency, or officer as he shall direct. Any regu-
6 lation or order under this title may contain such classifica-
7 tions and differentiations and may provide for such adjust-
8 ments and reasonable exceptions as in the judgment of the
9 Director are necessary or proper in order to effectuate the
10 purposes of this title.

11 “(e) Whenever in the judgment of the Director such
12 action is necessary or proper in order to effectuate the
13 purposes of this title, he may by regulation or order make
14 such provisions as he deems necessary to prevent the circum-
15 vention or evasion thereof and he may regulate or prohibit
16 speculative or manipulative practices (including the requir-
17 ing of the purchase of land prior to or as a condition of
18 undertaking construction work or the requiring of the pur-
19 chaser of housing accommodations to buy additional land or
20 any commodity or service as a condition of securing such
21 housing accommodation) in connection with the sale of any
22 housing accommodation which in his judgment are equiva-
23 lent to or likely to result in price increases inconsistent with
24 the purposes of this title.

25 “SEC. 705. (a) Whenever in the judgment of the

1 Director there is a shortage of building materials for the con-
2 struction of needed housing accommodations, he may by
3 regulation or order allocate such materials in such manner
4 and upon such conditions as he deems necessary and appro-
5 priate in order to effectuate the purposes of this title, with
6 particular regard for the need for the construction of low-cost
7 housing accommodations and the need for housing accommo-
8 dations for rental.

9 “(b) Whenever in the judgment of the Director there
10 is a shortage of housing accommodations, he may by regula-
11 tion or order give preference in purchase or renting of housing
12 accommodations, the construction of which is completed after
13 the effective date of this title, in such manner and upon such
14 conditions as will effectuate the purposes of this title, with
15 particular regard for the housing needs of veterans of World
16 War II and their immediate families.

17 “SEC. 706. Whenever in the judgment of the Director
18 there is no practicable alternative method for securing the
19 construction of adequate housing accommodations in an area
20 where the shortage of housing accommodations is acute, he is
21 authorized to subsidize the construction of new low-cost hous-
22 ing accommodations. Any such subsidy assistance shall be
23 granted on terms involving the minimum expenditure of funds
24 necessary to secure the needed construction, and upon such
25 other terms as are necessary and appropriate to effectuate the

1 purposes of this title. Appropriations are hereby authorized
2 to be made for subsidy payments under this section.

3 "SEC. 707. It shall be unlawful for any person to effect,
4 either as principal or broker, a sale of a housing unit at a
5 price in excess of the ceiling price which shall be applicable
6 under the provisions of this title, or to offer, solicit, attempt,
7 or agree to making any such sale. Notwithstanding any
8 termination of this title as contemplated in section 701 (b)
9 hereinabove, the provisions of this title, and of all regula-
10 tions and orders issued thereunder, shall be treated as
11 remaining in force for the purpose of sustaining any proper
12 suit, action, or prosecution with respect to any such right,
13 liability, or offense.

14 "SEC. 708. Any person who is aggrieved by any action
15 taken pursuant to any regulation or order issued under the
16 authority of this title may petition the district court of the
17 district in which he resides or has his place of business
18 for a review of such action, and such district court shall have
19 jurisdiction to enjoin or set aside, in whole or in part, such
20 action or to dismiss the petition. No such action shall be
21 enjoined or set aside, in whole or in part, unless the peti-
22 tioner establishes to the satisfaction of the court that such
23 action is not in accordance with law or is arbitrary or
24 capricious.

25 "SEC. 709. (a) Whenever in the judgment of the

1 Director any person has engaged or is about to engage in any
2 acts or practices which constitute or will constitute a viola-
3 tion of any provision of section 707 of this title, he may make
4 application to the appropriate court for an order enjoining
5 such acts or practices, or for an order enforcing compliance
6 with such provision, and upon a showing by the Adminis-
7 trator that such person has engaged or is about to engage
8 in any such acts or practices a permanent or temporary
9 injunction, restraining order, or other order shall be granted
10 without bond.

11 “(b) Any person who willfully violates any provision
12 of section 704 of this title, and any person who makes any
13 statement or entry false in any material respect in any docu-
14 ment or report required to be kept or filed under section 703,
15 shall, upon conviction thereof, be subject to a fine of not
16 more than \$5,000, or to imprisonment for not more than
17 one year or to both such fine and imprisonment. When-
18 ever the Director has reason to believe that any person is
19 liable to punishment under this subsection, he may certify
20 the facts to the Attorney General, who may, in his dis-
21 cretion, cause appropriate proceedings to be brought.

22 “(c) The district courts shall have jurisdiction of crimi-
23 nal proceedings for violations of section 707 of this title, and,
24 concurrently with State and Territorial courts, of all other
25 proceedings under the section. Such criminal proceedings

1 may be brought in any district in which any part of any act
2 or transaction constituting the violation occurred. Such other
3 proceedings may be brought in any district in which any
4 part of any act or transaction constituting the violation oc-
5 curred, and may also be brought in the district in which the
6 defendant resides or transacts business, and process in such
7 cases may be served in any district wherein the defendant
8 resides or transacts business or wherever the defendant may
9 be found. Any such court shall advance on the docket
10 and expedite the disposition of any criminal or other pro-
11 ceedings brought before it under this section. No costs shall
12 be assessed against the Director or the United States Gov-
13 ernment in any proceeding under this title.

14 “(d) If any person selling housing accommodations
15 violates a regulation or order prescribing a maximum selling
16 price, the person who buys such housing accommodations
17 may, within one year from the date of the occurrence of
18 the violation, bring an action for treble the amount by
19 which the consideration exceeded the maximum selling
20 price, plus reasonable attorney’s fees and costs as deter-
21 mined by the court. If the buyer fails to bring an action
22 under this subsection within sixty days from the date of
23 the violation, the Director may bring such action on behalf
24 of the United States within one year from the date of the
25 violation. If such action is brought by the Administrator,

1 the buyer shall thereafter be barred from bringing an action
2 for the same violation.

3 "SEC. 710. There are authorized to be appropriated
4 such sums as may be necessary or proper to carry out the
5 provisions and purposes of this title.

6 "SEC. 711. If any provision of this title or the applica-
7 tion of such provision to any person or circumstances shall
8 be held invalid, the validity of the remainder of the title
9 and the applicability of such provision to other persons or
10 circumstances shall not be affected thereby."

A BILL

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

By Mr. PATMAN

NOVEMBER 20, 1945

Referred to the Committee on Banking and Currency

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 15, 1946, for actions of Thursday, February 14, 1946)

(For staff of the Department only).

CONTENTS

Appropriation.....1,2	Information.....1,4	Report.....6
Electrification.....1,10	Labor.....8	Rural mail2
Foreign affairs.....4,14	Price control....1,13,15,16,18	School lunches.....9
Forestry.....1,3,12,19	RFC6	Stabilization15
Fruits & Vegetables....13	Reclamation7	Subsidies1
Housing.....1,3,12,17,19	Relief, foreign.....4,11	Sugar3

HIGHLIGHTS: House passed with amendments urgent deficiency appropriation bill. Rejected amendment to strike out OPA funds. Rejected motion to recommit with instructions that OPA funds be stricken. Agreed to committee amendment to authorize REA to borrow \$100,000,000 from RFC. Rep. Murray criticized subsidies policy, saying Secretary Anderson is against subsidies one day and for them the next. House passed Treasury-Post Office appropriation bill. House committee reported Patman housing bill providing for price control and subsidies, with amendment.

HOUSE

1. URGENT DEFICIENCY APPROPRIATION BILL. Passed with amendments this bill, H. R. 5458, which contains funds for CPA, ODT, and OPA (pp. 1337-53).

Agreed to a Committee amendment offered by Chairman Cannon, Mo., to authorize REA to borrow \$100,000,000 from RFC (pp. 1337, 1345-52). Rejected, 80-93, an amendment by Rep. Taber, N. Y. to strike out the funds for OPA (pp. 1343-5), and rejected, 108-185, motion by Rep. Henry, Wis., to recommit the bill with instructions that the OPA funds be stricken (p. 1352-3).

During the debate, Rep. Murray, Wis., criticized the Government policies on subsidies and price control and stated that one day the Secretary is against subsidies and the next day for them (p. 1342); Rep. Jensen, Iowa, criticized the OPA price control policies as being responsible for much of the shortage of critical building materials needed for housing (p. 1342); and Reps. Jenkins, Ohio, and Taber, N. Y. criticized Government "propaganda" activities (p. 1339-40).

Reps. Rees, Kans., Taber, N. Y., and others discussed lumber exports (p. 1341).

2. TREASURY-POST OFFICE APPROPRIATION BILL. Passed without amendment this bill. H. R. 5452 (pp. 1354-8).

Rejected, 26-56, an amendment by Rep. Bunker, Nev., to strike out the provision for sale or lease of silver for manufacturing uses at not less than 71.11 cents an ounce (pp. 1355-8). During debate on this amendment, Rep. Barrett, Wyo., stated that its purpose is "to make silver a little cheaper for the boys.....who manufacture silverware; but the over-all effect of this amendment is to reduce the income of.....the farmer" (p. 1356).

Rejected an amendment by Rep. Hays, Ark., to provide for rural mail delivery on holidays (p. 1358).

3. HOUSING. The Banking and Currency Committee reported with amendment H. R. 4761, the Patman bill which would authorize price control and subsidies on housing and would establish an office of housing stabilization (H. Rept. 1580) (p. 1360).

Rep. Spence, Ky., announced that he would introduce amendments to the bill to meet the requirements of the Wyatt housing plan (p. 1331).

Rep. Rabaut, Mich., stated that the Commerce Department had reported to him that most of the lumber being exported was shipped in order that sugar might be brought in (p. 1332). Rep. Patman, Tex., reported that more lumber is being imported than exported at the present time (p. 1333).

4. FOREIGN AFFAIRS. Rep. Vorys, Ohio, announced that he had asked the Foreign Affairs Committee Chairman to reconsider H. R. 4982, to enable the State Department to disseminate information abroad (p. 1334).

5. FOREIGN RELIEF. Rep. Smith, Wis., spoke in favor of permitting private organizations to ship food and clothing to Germany (pp. 1358-9).

6. RFC REPORT. Received the August 1945 report of RFC. To Banking and Currency Committee. (p. 1360).

SENATE

NOT IN SESSION. Next meeting Friday, February 15.

BILLS INTRODUCED

7. RECLAMATION. H. R. 5486, by Rep. Murdock, Ariz., to provide basic authority for certain functions of the Bureau of Reclamation. To Irrigation and Reclamation Committee. (p. 1360).

8. LABOR. H. Res. 525, by Rep. Hand, N. J., authorizing the Labor Committee to study means of preventing strikes in public utilities, hospitals, and processing and distribution of essential foods and fuel. To Rules Committee. (p. 1360).

ITEMS IN APPENDIX

9. SCHOOL LUNCHES. Extension of remarks of Rep. Douglas, Ill., favoring the Flannagan school lunch bill (p. A783).
10. RURAL ELECTRIFICATION. Extension of remarks of Rep. Hagen, Minn., proposing REA loans for individual farm electric plants where there are too few farms to justify extension of power lines, and insertion of a Windcharger Corp. letter quoting statistics regarding the number of such farms (pp. A777-9).
11. EUROPEAN RELIEF. Extension of remarks of Rep. Hall, N. Y., proposing that bread be flown to Europe for relief instead of shipping wheat (pp. A781-2).
Extension of remarks of Rep. Feighan, Ohio, emphasizing the need for relief food in Europe, and inserting the proposed program of the Save Europe Now Committee (pp A785-6).

we are engaged in a policy of vengeance, if we plan to maintain life there on a starvation basis, then we violate every law of man and God and we are bound to fail. Let us remember, forever, that scripture, "Vengeance is mine," said the Lord. This is a Biblical injunction that needs to be emphasized.

It is indeed unfortunate, Mr. Speaker, that the Congress should be bypassed in this important matter for it involves a national policy and the responsibility does not rest with the Executive alone. It is an unfortunate fact that the American people are not being advised as to the situation existing in Europe except by way of news stories that appear only occasionally in the press. The New Deal still does not take the people into its confidence. If these conditions persist in Germany then we can expect that the basis of World War III is being definitely laid. And that is a terrible responsibility. If the present administration was alert and abreast of the thinking of the great majority of our people, it would realize that there is an urgent demand for a plan to permit relief to go to people who are dying from starvation and freezing to death because they have insufficient food and clothing. It is reported that in the Russian zone of occupation the infant mortality rate last November was 90 percent. Such a figure should snap us out of our lethargy. If it continues the words of a high-ranking United States Army officer will be true. Said he: "We are making a cesspool of central Europe by our tactics."

Dorothy Thompson, columnist, recently wrote:

Starving masses are soil for anarchy, chaos, crime, insanity, epidemics, nihilism. Conditions in parts of Germany duplicate the horrors of Buchenwald and Belsen—and all in the name of democracy, Christianity, humanity.

Mr. Speaker, as a part of my remarks, I include herein a copy of House Concurrent Resolution 127 which I introduced on February 12. Also an editorial from the Christian Century of January 2, 1946, and an article by Dorothy Thompson which appeared in the Washington Star on February 11, 1946.

Mr. Speaker, I urge prompt consideration of my resolution. Time is of the essence.

[From the Christian Century of January 2, 1946]

ASK LIFTING OF BAN OF CLOTHES TO GERMANS

While large numbers of people are freezing in Germany, 1,000 bales of clothing, shoes, and bedding contributed by American church people are waiting at an east coast warehouse for permission from the Department of State for shipment. On December 12, Ross-well P. Barnes, acting general secretary of the Federal Council of Churches, and Leslie B. Moss, secretary of the Church Committee on Overseas Relief and Reconstruction, wired an appeal to President Truman that "church bodies * * * are besieged with pleas to send supplies to the Evangelical Church in Germany, the officially constituted Protestant relief agency, for distribution. * * * State Department ruling prevents granting license. * * * We offer immediately 1,000 bales clothing, shoes, bedding with further supplies to come later if you will open doors. * * * Believe this excellent opportunity to help win German Christians' support for democratic ideals." There is reason to believe that if this appeal

is backed up sufficiently by the churches it will be granted. These 1,000 bales of clothing may therefore be the opening wedge for a partial reversal of the Potsdam policy of complete isolation for the German people. A ruling on this appeal will constitute a precedent. Meanwhile the machinery is being oiled for a "victory collection" of clothing throughout the country in January under the chairmanship of Henry J. Kaiser. This clothing will be used by UNRRA to meet the crisis of suffering which engulfs all Europe. It cannot be distributed in Germany or Japan except among so-called displaced persons. Private agencies, including the churches, must therefore continue their efforts to collect supplies and to obtain permission to send them to these countries.

[From the Washington Star of February 11, 1946]

ON THE RECORD

(By Dorothy Thompson)

If President Truman's imposition of wheat controls and informal rationing comes as a shock to the American people, it is only because the facts about conditions in Europe have not been aired, but instead have been suppressed. Even now, President Truman's order does not illuminate the desperation of the situation. More can be learned from a discussion which took place in the Senate January 29, when Senator WHERRY, Republican, of Nebraska, introduced a concurrent resolution, signed by six other Senators, calling for a joint congressional group to make an official visit to Germany and other places to obtain information regarding conditions, and actions which might be taken to improve them.

The resolution states: "Whereas reports reaching the United States from both Europe and Asia indicate that the policies of the major victors are subjecting millions to mass starvation; and whereas the United States has been party to commitments and agreements reached among the victor powers which have led to these conditions; and whereas Congress has been bypassed and the American people ignored in the formulation and implementation of these policies; and whereas it is essential that Congress should obtain necessary information to request the President to take executive action; therefore be it resolved * * *." Whereupon follows the proposal for first-hand study and report.

The discussion attending the introduction of this resolution brought out innumerable facts regarding hunger and health conditions, especially in Germany, and revealed that attempts to interest the administration, both by congressional groups and by various overseas millions of the Christian churches, and Mrs. Dwight Morrow's "Food for Freedom," had been coldly received in the White House. The discussion occupies 11 pages in the CONGRESSIONAL RECORD, and the facts revealed were not challenged by anyone, but no news service carried the story.

The only organized attempts to tell the American people the facts about starvation conditions have come from outside the Government, and in order to get real light it has been necessary to read church publications like the Christian Century, the Commonweal, the Unitarian, and Quaker reports, etc., all of which have been predicting, since fall, exactly the state of affairs that the President now, very late, admits, the now, very late, takes steps to rectify. The situation was thoroughly aired in the British House of Commons as far back as October, but our administration made no move further to publicize the facts or to follow the warnings of Sir Arthur Salter that wheat stocks must be diverted from unnecessary uses if millions of human being were to escape famine.

Mass appeals, participated in by thousands of Americans, to open Axis countries—where conditions are worst—to American relief, and

to reestablish postal services for personal relief to relatives and friends have been ignored. The President is not ahead of the people; he is way behind those who have managed to learn what is going on. The real trouble is that the terrible disorganization caused by the war, accompanied by political demoralization and break-down in all the Axis countries, and highly unstable conditions in liberated Allied countries, have been compounded by the Potsdam program, which will go down in history as the blindest, most stupid peace program ever enunciated.

Compounded of Morgenthauism, revenge-ism, economic morosity, and the suspicions of the victors of each other; made to compensate the Poles for their loss of territory in the east by awarding them vast stretches of German territory in the west, which they have neither the proper governmental authority, the people, or the tools to resettle and manage; agreeing in principle to the evacuation from eastern countries of the entire German-speaking population, numbering 10 or 12 millions; deciding for the immediate collection of reparations in the form of industrial plant and agricultural machines and implements; dividing Germany into five zones, only four of which are under the four-power command in Berlin, the Polish zone being left entirely to the Poles, who are themselves demoralized by the alienation of legitimate government and any army with disciplined morale; destroying, not only the political but also the economic unity of Germany, so that there is no intercourse between the Rhinelands and Silesia or Leipzig and Munich—the Allies at Potsdam made what is now coming to pass, with mounting horror, an inevitability.

It meant a sentence of death on millions of German, Hungarian, and other European women and children.

Its results are reflected in an official report from the Russian zone, where infant mortality was 90 percent in November.

We must now make sacrifices to help undo what our own policies have contributed to create. We must get food, medicaments, and relief into the Axis countries, from which UNRRA is barred. Starving masses are soil for anarchy, chaos, crime, insanity, epidemics, nihilism. Conditions in parts of Germany duplicate the horrors of Buchenwald and Belsen—and all in the name of democracy, Christianity, humanity.

House Concurrent Resolution 127

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should take such action as may be necessary to secure permission for organizations engaged in relieving the distress of the people in foreign countries to carry on their activities in any foreign country, including any country which has been at war with the United States on or after December 7, 1941.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include as part thereof a copy of H. R. 127, which I have introduced; also an editorial and a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. THOM (at the request of Mr. McCORMACK), for 1 week, on account of illness in family.

To Mr. WASIELEWSKI for today and Friday, on account of official business.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p. m.) the House adjourned until tomorrow, Friday, February 15, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN
COMMERCE

(Tuesday, February 19, 1946)

There will be a meeting of the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, February 19, 1946.

Business to be considered: To begin hearings on H. R. 1314 (meteorology) and H. R. 164 (thunderstorms).

EXECUTIVE COMMUNICATIONS, ETC.

1063. Under clause 2 of rule XXIV, a letter from the Chairman, Reconstruction Finance Corporation, transmitting a report of its activities and expenditures for the month of August 1945, was taken from the Speaker's table, referred to the Committee on Banking and Currency, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC
BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. H. R. 4761. A bill to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes; with amendment (Rept. No. 1580). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 1389. A bill providing for the transfer of a certain fish hatchery in Commanche County, Okla., to the city of Lawton, Okla.; without amendment (Rept. No. 1581). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAVENNER:

H. R. 5475. A bill to promote on the retired list officers and enlisted personnel of the

Army commended for gallantry in the performance of duty in actual combat in World War II; to the Committee on Military Affairs.

H. R. 5476. A bill to amend the act of July 2, 1945, by changing the basis of award of merit for uncompensated personnel of the Selective Service System from 2 years of service for 1 year of service; to the Committee on Military Affairs.

By Mr. KEAN:

H. R. 5477. A bill to amend the definition of dependent for the purposes of the credits for individual income tax; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 5478. A bill to provide for making certain articles and equipment available for use at the convention of the Veterans of Foreign Wars to be held in Boston, Mass., in September 1946; to the Committee on Military Affairs.

By Mr. MORRISON:

H. R. 5479. A bill to provide that retired enlisted personnel of the Army who served as commissioned officers during World War II shall receive the pay of retired warrant officers; to the Committee on Military Affairs.

By Mr. O'BRIEN of Michigan:

H. R. 5480. A bill to amend the act of June 4, 1936, as amended, to include the appointment of substitute special-delivery messengers; to the Committee on the Post Office and Post Roads.

By Mr. PRICE of Illinois:

H. R. 5481. A bill to provide for the orderly and fair demobilization of the armed forces of the United States and to maintain the strength of the armed forces necessary to carry out America's peace objectives; to the Committee on Military Affairs.

By Mr. BALDWIN of Maryland:

H. R. 5482. A bill to provide for financial assistance to States, counties, parishes, municipalities, and other public bodies for the prompt clearance of slum and blighted areas with provision for the sale of such cleared areas for private or public redevelopment enhancing the public health, safety, and welfare, and for other purposes; to the Committee on Banking and Currency.

By Mr. KEARNEY:

H. R. 5483. A bill to repeal section 800 (b) of the Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

By Mr. SCHWABE of Oklahoma:

H. R. 5484. A bill to exempt certain earned income of persons 65 years of age or over from the Federal income tax; to the Committee on Ways and Means.

By Mr. BARRY:

H. R. 5485. A bill providing for the issuance of marine insurance within the United States; to the Committee on Banking and Currency.

By Mr. MURDOCK:

H. R. 5486. A bill to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation; to the Committee on Irrigation and Reclamation.

By Mr. HAND:

H. R. 5487. A bill to provide for a service credit for veterans for purposes of title II of the Social Security Act; to the Committee on Ways and Means.

H. Res. 525. Resolution authorizing the Committee on Labor to study means of preventing strikes in public utilities, hospitals, and processing and distribution of essential foods and fuel; to the Committee on Rules.

By Mr. EDWIN ARTHUR HALL:

H. Res. 526. Resolution to assure the world's starving peoples of bread now; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Syrian Parliament, declaring its disapproval of and protests against decision of the British Government which permitted temporary entrance of 1,500 Zionist immigrants monthly to Palestine; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN of Maryland:

H. R. 5488. A bill for the relief of Alfred W. Burdick; to the Committee on Claims.

By Mr. D'EWARD:

H. R. 5489. A bill to authorize the Secretary of the Interior to sell certain lands in the State of Montana to Wilbur P. Lockman; to the Committee on Indian Affairs.

H. R. 5490. A bill authorizing the issuance of a patent in fee to Mr. and Mrs. James Archdale; to the Committee on Indian Affairs.

By Mr. HOCH:

H. R. 5491. A bill for the relief of the estate of the late Leroy C. Rider; to the Committee on Claims.

By Mr. MALONEY:

H. R. 5492. A bill for the relief of A. J. Crozat, Jr.; to the Committee on Claims.

By Mr. SASSCER:

H. R. 5493. A bill for the relief of Rex Daniels; to the Committee on Claims.

By Mr. SCHWABE of Oklahoma:

H. R. 5494. A bill for the relief of Edward B. Massie; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1566. By Mr. LEWIS: Petition of a portion of the Pennsylvania Railroad employees at Wellsville, Ohio, opposing the discontinuance of OPA regulations; to the Committee on Banking and Commerce.

DIRECTOR OF HOUSING STABILIZATION

FEBRUARY 14, 1946.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 4761]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

(1) Page 1, line 6, after "(a)", insert the following:

The Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population, that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available, and that it is necessary for the health and safety of the people that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing.

(2) Page 2, lines 17 and 18, strike out "December 31" and insert in lieu thereof "June 30".

(3) Page 2, lines 20 and 23, strike out the word "Act" each time it occurs and insert in lieu thereof the word "title".

(4) Page 3, line 18, insert "(a)" before the word "The".

(5) Page 3, strike out "owns" in line 23; strike out lines 24 and 25; page 4, strike out line 1 and "and to make reports" in line 2, and insert in lieu thereof the following:

deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations—

"(1) to furnish information under oath or affirmation or otherwise,

"(2) to make and keep records, and

"(3) to make reports,

in respect of such dealings, sales, rentals, purchases, or offers.

(6) Page 4, line 5, after the period, insert the following:

The Director may administer oaths and affirmations.

(7) Page 4, line 14, after the quotation marks insert "(b)".

(8) Page 4, after line 19, insert the following:

"(c) Witnesses subpoenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(d) The Director shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information.

"(e) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.

† (9) Page 4, line 21, after "accommodations", insert the following:
the construction of which is completed after the effective date of this title

And on page 6, strike out lines 16 to 21, inclusive.

(10) Page 5, strike out lines 13 to 25, inclusive, and on page 6, strike out lines 1 to 15, inclusive, and insert in lieu thereof the following:

"(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Director a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

And on page 6, strike out lines 22 to 25, inclusive, and insert in lieu thereof the following:

"(c) The Director shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title.

(11) Page 7, line 10, insert at the end thereof the following:

The Director shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

(12) Page 7, strike out line 25; page 8, strike out lines 1 to 16, inclusive, and insert in lieu thereof the following:

"SEC. 705. (a) Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities for the construction of housing accommodations he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any material or facilities under this section, the Director shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, and (2) satisfying the housing requirements of veterans of World War II and their immediate families.

(13) Page 8, strike out lines 17 to 25, inclusive, and on page 9, strike out lines 1 and 2.

(14) Page 9, line 3, strike out "707" and insert in lieu thereof "706"; in line 4, strike out "a housing unit" and insert in lieu thereof "any housing accommodations"; in line 5, strike out "ceiling price which shall be applicable" and insert in lieu thereof "maximum sales price applicable to such sale"; in line 7, insert after the period the following:

It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title.

And in line 11, after the word "force", insert:

, as to rights or liabilities incurred or offenses committed prior to such termination date,

(15) Page 9, line 14, strike out "708" and insert in lieu thereof "707".

(16) Page 9, line 25, strike out "709" and insert in lieu thereof "708".

(17) Page 10, line 3, strike out "707" and insert in lieu thereof "706".

(18) Page 10, lines 6 and 7, strike out "Administrator" and insert in lieu thereof "Director".

(19) Page 10, line 9, insert, before the word "shall", the words "may be granted and if granted".

(20) Page 10, line 12, strike out "704" and insert in lieu thereof "706"; in lines 13 and 14, strike out "document" and insert in lieu thereof "record"; in line 23, strike out "707" and insert in lieu thereof "706"; and in line 25, strike out "the" and insert in lieu thereof "this".

(21) Page 11, line 25, strike out "Administrator" and insert in lieu thereof "Director".

(22) Page 12, after line 2, insert the following:

"SEC. 709. As used in this title—

"(a) The term 'maximum sales price' means the maximum price for which any housing accommodations may be sold and includes the total consideration which may be paid by the buyer for the housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of housing accommodations customarily assume in the community where the accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request.

"(b) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

"(c) The term 'district court' means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States.

(23) Page 12, line 5, strike out the period at the end of the line and insert in lieu thereof the following:

: *Provided, however,* That so much of the First Deficiency Appropriation Act, 1946 (Public Law Numbered 269, Seventy-ninth Congress, approved December 28, 1945), as reads '*Provided*, That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of \$500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945,' shall not apply to loans made for construction, removal or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

HOUSING EMERGENCY

A national emergency now exists because of the critical housing shortage. Existing facilities are inadequate to house large segments of the population and large numbers of veterans are returning to civilian life in need of housing accommodations which are not available. It is necessary for the health and safety of the people that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing.

The critical shortage of housing accommodations is the result of necessary curtailment of housing construction during the war in order to divert the materials and manpower of the housing industry from normal peacetime functions to the furtherance of the war effort. The housing emergency is more acute than it might otherwise be because of the fact that an inadequate number of new homes were constructed during the peacetime years preceding the war. The emergency has recently become more acute as the result of large numbers of veterans of World War II returning to civilian life.

It is estimated that some 2,900,000 married veterans of the recent war will be in need of housing facilities by the end of the year 1946. With the existing housing pool in the country totaling some 29,000,000 units, surveys showed that in October 1945 there were approximately 1,200,000 families living doubled up. And this figure is increasing proportionately with the rate of demobilization of the armed forces. To meet the housing emergency there is an urgent need for some 3,000,000 moderately and low-priced homes and apartments during the next 2 years.

PURPOSES OF THE BILL

In order that the purposes of the bill, as reported, may be clearly understood it should be remembered that the hearings on the bill were begun prior to the appointment by the President of the Housing Expeditor and that committee consideration was completed and the bill ordered reported before the Housing Expeditor's report on the emergency housing program was approved by the President and made public. In view of the emergency the committee believed that it was desirable to report a bill containing the features that could without further consideration be agreed upon as essential. Accordingly, the bill, as reported, would (1) create an Office of Housing Stabilization, to be headed by a Director having the duty to formulate and develop a comprehensive national program to effectuate the purposes of the proposed legislation and having the authority to issue directives on

policy to those Federal departments and agencies which have functions relating to or affecting housing; (2) provide authority to establish maximum sales prices for sales of new housing accommodations independently of the pricing authority now exercised under priority and allocation powers; (3) continue for an additional year existing priority and allocation powers in respect of materials and facilities suitable for the construction of housing accommodations; and (4) require the Director to give special consideration to the general need for housing accommodations for sale or rent at moderate prices and to satisfying the housing requirements of veterans of World War II and their immediate families. The committee did not include any limitations as to the maximum cost of new housing accommodations, but it is hoped that a substantial portion of the available materials and facilities will be allocated for homes selling for \$6,000 or less or renting for not more than \$50 per month.

Private enterprise must assume the leading role in this task and to that end the building industry and financial institutions must be relied upon as the mainstay of the housing production program.

EXPLANATION OF BILL, AS REPORTED

The bill proposes that a new title, Title VII—Stabilization of Housing Prices, be inserted after title VI of the National Housing Act. The new title, as proposed by the bill as reported, would contain 11 sections as follows:

Section 701: Subsection (a) contains a declaration that an emergency exists in respect of housing and states the purposes of the proposed new title. Subsection (b) provides a termination date of June 30, 1947, or an earlier date specified in a concurrent resolution by the two Houses of the Congress. Subsection (c) provides that the title shall apply to the United States, its Territories and possessions, and the District of Columbia.

Section 702: Subsection (a) creates an Office of Housing Stabilization to be headed by a Director of Housing Stabilization. Subsection (b) requires the Director of Housing Stabilization to formulate and develop a comprehensive national program to effectuate the purposes of the title and provides that in order to carry out the program the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

Section 703: Subsection (a) provides authority for obtaining information deemed necessary or proper to assist the Director in performing his functions. Any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations may be required (but only in respect of such dealings, sales, rentals, purchases, or offers) to furnish information under oath or affirmation or otherwise, to make and keep records, and to make reports. Under subsection (b) no person would be excused from complying with any requirements under the section because of his privilege against self-incrimination but if he specifically claims such privilege the immunity provisions of the Compulsory Testimony Act of February 11, 1893, apply. The Compulsory Testimony Act provides that no person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing, concerning which he may

testify, or produce evidence, documentary or otherwise but that a person so testifying is not exempt from prosecution and punishment for perjury committed in so testifying. Subsections (c), (d), and (e) are for protection of individuals and provide for witness fees and mileage, prohibit the disclosure of confidential information, and give any person subpoenaed the right to make a record of his testimony and to be represented by counsel.

Section 704: This section of the proposed new title, as reported, would authorize the Director to establish maximum sales prices for housing accommodations the construction of which is completed after the day on which the bill becomes law. Subsection (a) provides that such maximum sales prices may be applied to geographical areas and to types or classifications of housing accommodations.

If maximum sales prices are established in any geographical area with respect to any type of such housing accommodations, subsection (b) requires that the sale of such housing accommodations shall be prohibited until the builder has received a certification that a maximum sales price, proposed by him, is reasonably related to the value of the accommodations to be sold taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. This provision would permit a builder to recover his costs (whether incurred prior to or during construction) in providing sewer, water, and other facilities in cases where housing accommodations are constructed on previously unimproved land.

If a maximum sales price is approved before construction is completed it may be increased to the extent justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale may not be made at a price in excess of the maximum sales price certified. The first sale, whether equal to or less than the certified maximum sales price, establishes the maximum sales price for any subsequent sale. Subsection (c) would require the Director to provide for appropriate increases in the maximum sales price for major structural changes or improvements effected subsequent to the first sale. Increases for ordinary maintenance and repair would not be authorized.

Subsection (d) of section 704 would confer authority upon the Director to promulgate such regulations as he deems necessary and proper to carry out any provision of the proposed new title and to exercise his functions through such department, agency, or officer as he shall direct. This subsection also provides that the Director shall have power to forbid the export to any foreign country of any lumber or other materials which are needed for the housing program. Subsection (e) contains additional authority for the Director by regulation or order to make such provisions as he deems necessary to prevent the circumvention or evasion of the proposed new title and provides that he may regulate or prohibit speculative or manipulative practices in connection with the sale of any housing accommodation which in his judgment are equivalent to or likely to result in price increases inconsistent with the purposes of the title.

Section 705: Subsection (a) of this section relates to priorities and allocations. The powers of the President in respect of priorities and allocations under title III of the Second War Powers Act expire June 30, 1946, and it is not certain at this time whether these powers will be continued beyond that date. As these powers are deemed necessary in connection with the housing emergency, subsection (a) confers upon the Director until June 30, 1947, substantially the same powers to allocate and establish priorities for the delivery of materials and facilities suitable for the construction of housing accommodations as the President now has to allocate and establish priorities for the delivery of materials and facilities generally. It is not intended that the priorities and allocations powers so conferred upon the Director shall replace or in any way affect the existing powers incorporated in the Second War Powers Act; and the authority of the President, or of any agency to which he has delegated such authority, to continue to exercise the powers provided by the Second War Powers Act is not to be lessened or modified in any degree by the enactment of the proposed new title, as reported.

Subsection (b) of section 705 of the proposed new title, as reported, requires the Director in issuing any regulation or order allocating or establishing priorities for the delivery of any material or facilities to give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, and (2) satisfying the housing requirements of veterans of World War II and their immediate families. The committee contemplates that under these provisions materials and facilities will be channeled into housing accommodations to sell or rent at the lowest practicable prices and that preferences be given veterans and their families in the purchase or rental of homes with appropriate provision for nonveteran hardship cases.

Section 706: This section makes it unlawful to violate the provisions of the new title or the terms of any regulation or order issued under such provisions.

Section 707: This section provides for judicial review of any action taken pursuant to any regulation or order issued under the authority of the new title by any person aggrieved by any such action.

Section 708: Subsection (a) authorizes the Director to apply to an appropriate court for orders to prevent violations of, or to enforce compliance with, the provisions of the proposed new title. Subsection (b) provides a penalty of not to exceed \$5,000 or imprisonment for not more than 1 year or both such fine and imprisonment for violations of section 706 and for making any statement or entry false in any material respect in any record or report required to be kept or filed under section 703. Subsection (c) relates to the jurisdiction of the district courts and of State and Territorial courts with respect to criminal and civil actions under the title. Subsection (d) authorizes suits for treble damages by buyers against sellers who violate maximum sales prices.

Section 709: In this section the terms "maximum sales prices," "person," and "district court" are defined. In determining whether a sale complies with the applicable maximum sales price incidental charges, such as brokerage fees or commissions or other charges, which buyers or sellers of housing accommodations customarily assume in the community where the accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request would not be included in computing the price for which the sale

is made but all other consideration paid by the buyer for the housing accommodations with accompanying land and improvements would be included.

Section 710: This section authorizes the appropriation of such sums as may be necessary or proper to carry out the provisions and purposes of the proposed new title. The purpose of the proviso is to make it possible for the Reconstruction Finance Corporation to make loans in excess of \$500,000 for the construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institutions.

Section 711: This section provides that if any provision of the title or the application of such provision to any person or circumstances is held invalid, the validity of the remainder of the title and the applicability of such provision to other persons or circumstances is not to be affected thereby.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLES VI AND VII OF NATIONAL HOUSING ACT

TITLE VI—WAR HOUSING INSURANCE

SEC. 601. As used in this title—

(a) The term "mortgage" means a first mortgage on real estate, in fee simple, or on a leasehold (1) under a lease for not less than ninety-nine years which is renewable; or (2) under a lease having a period of not less than fifty years to run from the date the mortgage was executed; and the term "first mortgage" means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate, under the laws of the State in which the real estate is located, together with the credit instruments, if any, secured thereby.

(b) The term "mortgagee" includes the original lender under a mortgage, and his successors and assigns approved by the Administrator; and the term "mortgagor" includes the original borrower under a mortgage and his successors and assigns.

(c) The term "maturity date" means the date on which the mortgage indebtedness would be extinguished if paid in accordance with periodic payments provided for in the mortgage.

(d) The term "State" includes the several States, and Alaska, Hawaii, Puerto Rico, the District of Columbia, and the Virgin Islands.

SEC. 602. There is hereby created a War Housing Insurance Fund which shall be used by the Administrator as a revolving fund for the carrying out of the provisions of this title, and mortgages insured under this title shall be known and referred to as "war housing insured mortgages." For this purpose, the Reconstruction Finance Corporation shall make available to the Administrator such funds as he may deem necessary, not to exceed \$10,000,000, and the amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized to issue and have outstanding at any one time under existing law is hereby increased by an amount sufficient to provide such funds: *Provided*, That the Secretary of the Treasury is authorized and directed to cancel from time to time, upon the request of the Corporation, notes of the Corporation (which notes are hereby made available to the Secretary of the Treasury for purposes of this section), and to discharge its liability, as respects all sums due and unpaid upon or in connection with such notes at the time of such cancellation and discharge in a principal amount equal to the funds made available to the Administrator by the Corporation under or by reason of this title together with interest paid to the Treasury thereon: *Provided further*, That any evidence of indebtedness with respect to funds so disbursed by the Corporation shall be transferred to the

Secretary of the Treasury; that the Secretary and the Corporation are authorized and directed to make such adjustments on their books and records as may be necessary to carry out the purposes of this section; that the amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized to issue and have outstanding at any one time under the provisions of this section shall be correspondingly reduced by the amount of notes so canceled by the Secretary, and that any sums at any time received by the Corporation, representing repayments or recoveries of funds so disbursed shall forthwith be covered into the general fund of the Treasury: *And provided further*, There shall be allocated immediately to the War Housing Insurance Fund the sum of \$5,000,000 out of funds made available to the Administrator for this purpose. General expenses of operation of the Federal Housing Administration under this title may be charged to the War Housing Insurance Fund.

SEC. 603. (a) The Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided and upon such terms as the Administrator may prescribe to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the property covered by the mortgage is in an area or locality in which the President shall find that an acute shortage of housing exists or impends which would impede national-defense activities: *Provided further*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$1,800,000,000: *And provided further*, That no mortgage shall be insured under this title after July 1, 1946, or after such earlier date as the emergency, declared by the President on May 27, 1941, to exist, has by his declaration ceased to exist, except (1) pursuant to a commitment to insure issued on or before July 1, 1946, or such earlier date, whichever first occurs; or (2) a mortgage that is given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage.

(b) To be eligible for insurance under this section a mortgage shall—

(1) have been made to, and be held by, a mortgagee approved by the Administrator as responsible and able to service the mortgage properly;

(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 per centum of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance or war housing insurance prior to the beginning of construction, and (i) the construction of which is begun after the date of enactment of this title, or (ii) the construction of which was begun after January 1, 1940, and prior to the date of enactment of this title, and which has not been sold or occupied since completion. Such principal obligation shall not exceed—

(A) \$5,400 if such dwelling is designed for a single-family residence, or

(B) \$7,500 if such dwelling is designed for a two-family residence, or

(C) \$9,500 if such dwelling is designed for a three-family residence, or

(D) \$12,000 if such dwelling is designed for a four-family residence;

(3) have a maturity satisfactory to the Administrator but not to exceed twenty-five years from the date of the insurance of the mortgage;

(4) contain complete amortization provisions satisfactory to the Administrator;

(5) bear interest (exclusive of premium charges for insurance) but not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed 6 per centum per annum if the Administrator finds that in certain areas or under special circumstances the mortgage market demands it;

(6) provide, in a manner satisfactory to the Administrator, for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest and to the premium charge which is required for mortgage insurance as herein provided) to amortization of the principal of the mortgage; and

(7) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Administrator may in his discretion prescribe.

(c) The Administrator is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall not be less than an amount equivalent to one-half of 1 per centum per annum nor

more than an amount equivalent to 1½ per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the mortgagee, either in cash, or in debentures issued by the Administrator under this title at par plus accrued interest, in such manner as may be prescribed by the Administrator: *Provided*, That the Administrator may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Administrator finds, upon the presentation of a mortgage for insurance and the tender of the initial premium charge and such other charges as the Administrator may require, that the mortgage complies with the provisions of this title, such mortgage may be accepted for insurance by endorsement or otherwise as the Administrator may prescribe; but no mortgage shall be accepted for insurance under this title unless the Administrator finds that the project with respect to which the mortgage is executed is an acceptable risk in view of the emergency referred to in this section. In the event that the principal obligation of any mortgage accepted for insurance under this title is paid in full prior to the maturity date, the Administrator is further authorized in his discretion to require the payment by the mortgagee of an adjusted premium charge in such amount as the Administrator determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured under this title until such maturity date; and in the event that the principal obligation is paid in full as herein set forth, and a mortgage on the same property is accepted for insurance at the time of such payment, the Administrator is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid. The Administrator is further authorized to prescribe such procedures as in his judgment are necessary to secure to war workers occupancy priority with respect to properties which have not been previously occupied and which are covered by mortgages insured under this section and section 608.

(d) Any contract of insurance heretofore or hereafter executed by the Administrator under this title shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

SEC. 604. (a) In any case in which the mortgagee under a mortgage insured under section 603 shall have foreclosed and taken possession of the mortgaged property, in accordance with regulations of, and within a period to be determined by, the Administrator, or shall, with the consent of the Administrator, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon (1) the prompt conveyance to the Administrator of title to the property which meets the requirements of rules and regulations of the Administrator in force at the time the mortgage was insured, and which is evidenced in the manner prescribed by such rules and regulations; and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Administrator. Upon such conveyance and assignment the obligation of the mortgagee to pay the premium charges for insurance shall cease and the Administrator shall, subject to the cash adjustment hereinafter provided, issue to the mortgagee debentures having a total face value equal to the value of the mortgage and a certificate of claim, as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Administrator, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of the institution of foreclosure proceedings, or on the date of the acquisition of the property after default other than by foreclosure, the amount of all payments which have been made by the mortgagee for taxes, ground rents, and water rates, which are liens prior to the mortgage, special assessments which are noted on the application for insurance or which become liens after the insurance of the mortgage, insurance of the mortgaged property, and any mortgage insurance premiums paid after either of such dates and by deducting from such total amount any amount received on account of the mortgage after either of such dates, and any amount received as rent or other income from the property, less reasonable expenses incurred in handling the property, after either of such dates: *Provided*,

That with respect to mortgages which are foreclosed before there shall have been paid on account of the principal obligation of the mortgage a sum equal to 10 per centum of the appraised value of the property as of the date the mortgage was accepted for insurance, there may be included in the debentures issued by the Administrator, on account of the cost of foreclosure (or of acquiring the property by other means) actually paid by the mortgagee and approved by the Administrator an amount—

(1) not in excess of 2 per centum of the unpaid principal of the mortgage as of the date of the institution of foreclosure proceedings and not in excess of \$75; or

(2) not in excess of two-thirds of such cost, whichever is the greater:

And provided further, That with respect to mortgages to which the provisions of sections 302 and 306 of the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, apply and which are insured under section 603 of the National Housing Act, as now or hereafter amended, and subject to such regulations and conditions as the Administrator may prescribe, there shall be included in the debentures an amount which the Administrator finds to be sufficient to compensate the mortgagee for any loss which it may have sustained on account of interest on debentures and the payment of insurance premiums by reasons of its having postponed the institution of foreclosure proceedings or the acquisition of the property by other means during any part or all of the period of such military service and three months thereafter.

(b) The Administrator may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage: *Provided*, That the mortgagor shall not be released from such liability in any case until the Administrator is satisfied that the mortgaged property has been sold to a purchaser satisfactory to the Administrator, and that such purchaser has paid on account of the purchase price, in cash or its equivalent, at least 10 per centum of the appraised value of such property as determined by the Administrator as of the date the mortgage is accepted for insurance.

(c) Debentures issued under this title shall be in such form and denominations in multiples of \$50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Administrator with the approval of the Secretary of the Treasury, and may be in coupon or registered form. Any difference between the value of the mortgage determined as herein provided and the aggregate face value of the debentures issued, not to exceed \$50, shall be adjusted by the payment of cash by the Administrator to the mortgagee from the War Housing Insurance Fund.

(d) The debentures issued under this section to any mortgagee shall be executed in the name of the War Housing Insurance Fund as obligor, shall be signed by the Administrator by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date foreclosure proceedings were instituted, or the property was otherwise acquired by the mortgagee after default, and shall bear interest from such date at a rate determined by the Administrator, with the approval of the Secretary of the Treasury, at the time the mortgage was accepted for insurance, but not to exceed 3 per centum per annum, payable semiannually on the 1st day of January and the 1st day of July of each year. Such debentures as are issued in exchange for property covered by mortgages accepted for insurance under this section on or after the date of enactment of the National Housing Act Amendments of 1942, shall mature ten years after the date thereof. Such debentures as are issued in exchange for property covered by mortgages accepted for insurance under this section prior to the date of the enactment of the National Housing Act Amendments of 1942, shall mature three years after the 1st day of July following the maturity date of the mortgage on the property in exchange for which the debentures were issued: *Provided*, That any mortgagee entitled to receive such debentures may elect to receive in lieu thereof debentures which shall mature ten years after the date thereof. Such debentures shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by any Territory, dependency, or possession of the United States, or by the District of Columbia, or by any State, county, municipality, or local taxing authority, and shall be paid out of the War Housing Insurance Fund, which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures. In the event that the War Housing Insurance Fund fails to pay upon demand, when due, the principal of

or interest on any debentures issued under this title, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

(e) The certificate of claim issued by the Administrator to any mortgagee shall be for an amount which the Administrator determines to be sufficient, when added to the face value of the debentures issued and the cash adjustment paid to the mortgagee, to equal the amount which the mortgagee would have received if, at the time of the conveyance to the Administrator of the property covered by the mortgage, the mortgagor had redeemed the property and paid in full all obligations under the mortgage and a reasonable amount for necessary expenses incurred by the mortgagee in connection with the foreclosure proceedings, or the acquisition of the mortgaged property otherwise, and the conveyance thereof to the Administrator. Each such certificate of claim shall provide that there shall accrue to the holder of such certificate with respect to the face amount of such certificate, an increment at the rate of 3 per centum per annum which shall not be compounded. The amount to which the holder of any such certificate shall be entitled shall be determined as provided in subsection (f).

(f) If the net amount realized from any property conveyed to the Administrator under this section and the claim assigned therewith, after deducting all expenses incurred by the Administrator in handling, dealing with, and disposing of such property and in collecting such claims, exceeds the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:

(1) If such excess is greater than the total amount payable under the certificate of claim issued in connection with such property, the Administrator shall pay to the holder of such certificate the full amount so payable, and any excess remaining thereafter shall be paid to the mortgagor of such property; and

(2) If such excess is equal to or less than the total amount payable under such certificate of claim, the Administrator shall pay to the holder of such certificate the full amount of such excess.

(g) Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, the Administrator shall have power to deal with, complete, rent, renovate, modernize, insure, make contracts or establish suitable agencies for the management of, or sell for cash or credit, in his discretion, any properties conveyed to him in exchange for debentures and certificates of claim as provided in this title; and notwithstanding any other provision of law, the Administrator shall also have power to pursue to final collection, by way of compromise or otherwise, all claims against mortgagors assigned by mortgagees to the Administrator as provided in this title, except that no suit or action shall be commenced by the Administrator against any such mortgagor on account of any claim so assigned with respect to mortgages insured under section 603 unless such suit or action is commenced within six months after the assignment of such claim to the Administrator, or within six months after the last payment was made to the Administrator with respect to the claim so assigned, whichever is later: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any contract for hazard insurance, or to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed \$1,000. The power to convey and to execute in the name of the Administrator deeds of conveyances, deeds of release, assignments, and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein heretofore or hereafter acquired by the Administrator pursuant to the provisions of this Act, may be exercised by the Administrator or by any Assistant Administrator appointed by him, without the execution of any express delegation of power or power of attorney: *Provided*, That nothing in this subsection shall be construed to prevent the Administrator from delegating such power by order or by power of attorney in his discretion, to any officer, agent, or employee he may appoint.

(h) No mortgagee or mortgagor shall have and no certificate of claim shall be construed to give to any mortgagee or mortgagor, any right or interest in any property conveyed to the Administrator or in any claim assigned to him; nor shall the Administrator owe any duty to any mortgagee or mortgagor with respect to the handling or disposal of any such property or the collection of any such claim.

SEC. 605. (a) Moneys in the War Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this title shall be deposited with the Treasurer of the United States to the credit of the War

Housing Insurance Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States. The Administrator may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this title. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(b) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this title, the receipts derived from the property covered by such mortgage and claims assigned to the Administrator in connection therewith shall be credited to the War Housing Insurance Fund. The principal of, and interest paid and to be paid on debentures issued under this title, cash adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired under the title shall be charged to the War Housing Insurance Fund.

SEC. 606. Nothing in this title shall be construed to exempt any real property acquired and held by the Administrator under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

SEC. 607. The Administrator is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this title.

SEC. 608. (a) In addition to mortgages insured under section 603 of this title, the Administrator is authorized to insure mortgages as defined in section 601 of this title (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided.

(b) To be eligible for insurance under this section a mortgage shall meet the following conditions:

(1) The mortgaged property shall be held by a mortgagor approved by the Administrator. The Administrator may, in his discretion, require such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation. The Administrator may make such contracts with, and acquire for not to exceed \$100 stock or interest in any such mortgagor, as the Administrator may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the War Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Administrator under the insurance.

(2) The mortgaged property shall be designed for rent for residential use by war workers.

(3) The mortgage shall involve a principal obligation in an amount—

(A) not to exceed \$5,000,000; and

(B) not to exceed 90 per centum of the amount which the Administrator estimates will be the reasonable replacement cost of the completed property or project, including the land; the proposed physical improvements; utilities within the boundaries of the property or project; architects' fees; taxes and interest accruing during construction; and other miscellaneous charges incidental to construction and approved by the Administrator: *Provided*, That such mortgage shall not in any event exceed the amount which the Administrator estimates will be the cost of the completed physical improvements on the property or project, exclusive of off-site public utilities and streets, and organization and legal expenses; and

(C) not to exceed \$1,350 per room for such part of such property or project as may be attributable to dwelling use.

The mortgage shall provide for complete amortization by periodic payment within such term as the Administrator shall prescribe, and shall bear interest (exclusive of premium charges for insurance) at not to exceed $4\frac{1}{2}$ per centum per annum on the amount of the principal obligation outstanding at any time. The Administrator may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release.

(c) The failure of the mortgagor to make any payment due under or provided to be paid by the terms of a mortgage insured under this section shall be considered a default under such mortgage, and if such default continues for a period of thirty days, the mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided, upon assignment, transfer, and delivery to the Administrator, within a period and in accordance with rules and regulations to be prescribed by the Administrator of (1) all rights and interest arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagors or others, arising out of the mortgage transaction; (3) all policies of title or other

insurance or surety bonds or other guaranties and any and all claims thereunder; (4) any balance of the mortgage loan not advanced to the mortgagor; (5) any cash or property held by the mortgagee, or to which it is entitled, as deposits made for the account of the mortgagor and which have not been applied in reduction of the principal of the mortgage indebtedness; and (6) all records, documents, books, papers, and accounts relating to the mortgage transaction. Upon such assignment, transfer, and delivery the obligation of the mortgagee to pay the premium charges for mortgage insurance shall cease, and the Administrator shall, subject to the cash adjustment provided for in section 604 (c), issue to the mortgagee debentures having a total face value equal to the value of the mortgage, and a certificate of claim as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined in accordance with rules and regulations prescribed by the Administrator, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount the mortgagee may have paid for (A) taxes, special assessments, and water rates, which are liens prior to the mortgage; (B) insurance on the property; and (C) reasonable expenses for the completion and preservation of the property; less the sum of (i) an amount equivalent to 1 per centum of the unpaid amount of such principal obligation on the date of default; (ii) any amount received on account of the mortgage after such date; and (iii) any net income received by the mortgagee from the property after such date: *Provided*, That the mortgagee in the event of a default under the mortgage may, at its option and in accordance with regulations of, and in a period to be determined by the Administrator, proceed to foreclose on and obtain possession of or otherwise acquire such property from the mortgagor after default, and receive the benefits of the insurance as herein provided, upon (1) the prompt conveyance to the Administrator of title to the property which meets the requirements of the rules and regulations of the Administrator in force at the time the mortgage was insured, and which is evidenced in the manner prescribed by such rules and regulations; and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims that may have been released with the consent of the Administrator. Upon such conveyance and assignment, the obligation of the mortgagee to pay the premium charges for insurance shall cease and the mortgagee shall be entitled to receive the benefits of the insurance as provided in this subsection, except that in such event the 1 per centum deduction, set out in (i) hereof, shall not apply.

(d) The certificate of claim issued by the Administrator to any mortgagee in connection with the insurance of mortgages under this section shall be for an amount determined in accordance with subsections (e) and (f) of section 604 of this title, except that any amount remaining after the payment of the full amount under the certificate of claim shall be retained by the Administrator and credited to the War Housing Insurance Fund.

(e) Debentures issued under this section shall be issued in accordance with the provisions of section 604 (d) except that such debentures shall be dated as of the date of default as determined in subsection (c) of this section, and shall bear interest from such date.

(f) The provisions of section 207 (k) of this Act shall be applicable to mortgages insured under this section, except that as applied to such mortgages (1) all references in such section 207 (k) to the "Housing Fund" shall be construed to refer to the "War Housing Insurance Fund", and (2) the reference therein to "subsection (g)" shall be construed to refer to "subsection (e)" of this section.

(g) The Administrator shall also have power to insure under this title or title II any mortgage executed in connection with the sale by him of any property acquired under this title or title II without regard to the limitations upon eligibility contained therein, and to insure under this title any mortgage executed in connection with the sale by him of any property acquired under this title without regard to any limit as to time or aggregate amount contained in this title.

TITLE VII—STABILIZATION OF HOUSING PRICES

SEC. 701. (a) The purposes of this title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate; to eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices; to encourage the production of housing at a fair profit; to improve the housing of the people of the Nation in order to foster their health and general welfare; to encourage employment in the housing construction industry, and to maintain such industry at a

high level of productivity; to prohibit an undue dissipation of the savings of the people in the Nation in the purchase of homes at speculative prices; to permit returning veterans to acquire housing at fair prices; and to prevent a post-emergency collapse of values in the housing field and to promote a swift and orderly transition to a peacetime economy.

(b) The provisions of this title, and all regulations and orders issued thereunder, shall terminate on December 31, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the provisions of the Act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

SEC. 702. (a) There is hereby created the Office of Housing Stabilization, which shall be headed by a Director of Housing Stabilization (hereinafter called the "Director"). The Director shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The Director may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this title, and shall fix their compensation in accordance with the Classification Act of 1923, as amended.

(b) The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title. In order to carry out this program, the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

SEC. 703. The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title. The Director is authorized to require any person who owns, holds an interest in, deals in, or offers to sell or to buy any housing accommodations to furnish information under oath or affirmation or otherwise, to make and keep records, and to make reports. The Director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations. For the purpose of obtaining any information under this section, the Director may by subpoena require any such person to appear and testify or to appear and produce documents, or both, at any designated place. In case of refusal to obey a subpoena served upon any person under this section, the court for any district in which such person is found or resides or transacts business, upon application by the Director, shall have jurisdiction to compel compliance with such subpoena.

No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 edition, title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

SEC. 704. (a) Whenever in the judgment of the Director the sales prices of housing accommodations have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish maximum sales prices for housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of housing accommodations as in the judgment of the Director may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Director shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

(b) Any regulation or order issued under the authority of this title establishing maximum sales prices for housing accommodations the construction of which is completed after the effective date of this title shall provide for the fixing of a maximum sales price consisting of (i) the actual costs of the construction of the unit which are not in excess of the legal maximum prices of the materials, and services entering into such construction, (ii) the fair market value of the land sold with the housing accommodation, but in no event less than the actual cost of land purchased prior to the effective date of this Act, and (iii) a margin of profit reflecting the generally prevailing margin of profit upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for the establishment of a maximum sales price at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a maximum sales price has been fixed on a basis of estimated costs the prospective seller

may, at any time before the first sale and upon a showing that the actual legal costs have substantially exceeded the estimated costs, apply for such revision of the maximum sales price as may be justified under the circumstances; and the Director may similarly reduce the maximum sales price if the estimated costs were substantially in excess of the actual legal costs. No subsequent sale of such newly constructed housing accommodation shall be at a higher price than that established for the first sale.

(c) Any regulation or order issued under the authority of this title establishing maximum sales prices for housing accommodations in existence and occupied on or prior to the effective date of this title shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations after the effective date of this title.

Any regulation or order under this subsection shall provide for the making of appropriate adjustments in the maximum sales price where substantial improvements have been made subsequent to the last sale.

(d) The Director may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Director are necessary or proper in order to effectuate the purposes of this title.

(e) Whenever in the judgment of the Director such action is necessary or proper in order to effectuate the purposes of this title, he may by regulation or order make such provisions as he deems necessary to prevent the circumvention or evasion thereof and he may regulate or prohibit speculative or manipulative practices (including the requiring of the purchase of land prior to or as a condition of undertaking construction work or the requiring of the purchaser of housing accommodations to buy additional land or any commodity or service as a condition of securing such housing accommodation) in connection with the sale of any housing accommodation which in his judgment are equivalent to or likely to result in price increases inconsistent with the purposes of this title.

SEC. 705. (a) Whenever in the judgment of the Director there is a shortage of building materials for the construction of needed housing accommodations, he may by regulation or order allocate such materials in such manner and upon such conditions as he deems necessary and appropriate in order to effectuate the purposes of this title, with particular regard for the need for the construction of low-cost housing accommodations and the need for housing accommodations for rental.

(b) Whenever in the judgment of the Director there is a shortage of housing accommodations, he may by regulation or order give preference in purchase or renting of housing accommodations, the construction of which is completed after the effective date of this title, in such manner and upon such conditions as will effectuate the purposes of this title, with particular regard for the housing needs of veterans of World War II and their immediate families.

SEC. 706. Whenever in the judgment of the Director there is no practicable alternative method for securing the construction of adequate housing accommodations in an area where the shortage of housing accommodations is acute, he is authorized to subsidize the construction of new low-cost housing accommodations. Any such subsidy assistance shall be granted on terms involving the minimum expenditure of funds necessary to secure the needed construction, and upon such other terms as are necessary and appropriate to effectuate the purposes of this title. Appropriations are hereby authorized to be made for subsidy payments under this section.

SEC. 707. It shall be unlawful for any person to effect, either as principal or broker, a sale of a housing unit at a price in excess of the ceiling price which shall be applicable under the provisions of this title, or to offer, solicit, attempt, or agree to making any such sale. Notwithstanding any termination of this title as contemplated in section 701 (b) hereinabove, the provisions of this title, and of all regulations and orders issued thereunder, shall be treated as remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

SEC. 708. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this title may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with law or is arbitrary or capricious.

SEC. 709. (a) Whenever in the judgment of the Director any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 707 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Administrator that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(b) Any person who willfully violates any provision of section 704 of this title, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 703, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than one year or to both such fine and imprisonment. Whenever the Director has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 707 of this title, and, concurrently with State and Territorial courts, of all other proceedings under the section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Director or the United States Government in any proceeding under this title.

(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within one year from the date of the occurrence of the violation, bring an action for treble the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and costs as determined by the court. If the buyer fails to bring an action under this subsection within sixty days from the date of the violation, the Director may bring such action on behalf of the United States within one year from the date of the violation. If such action is brought by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation.

SEC. 710. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this title.

SEC. 711. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other persons or circumstances shall not be affected thereby.

○

Union Calendar No. 472

79TH CONGRESS
2^D SESSION

H. R. 4761

[Report No. 1580]

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 1945

Mr. PATMAN introduced the following bill; which was referred to the Committee on Banking and Currency

FEBRUARY 14, 1946

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the National Housing Act, as amended, is amended
4 by inserting after title VI thereof a new title, as follows:
5 “TITLE VII—STABILIZATION OF HOUSING PRICES
6 “SEC. 701. (a) *The Congress declares that an emergency*
7 *exists wherein there are insufficient facilities for housing large*
8 *segments of the population, that large numbers of veterans of*

1 *the armed forces are returning to civilian life in need of hous-*
2 *ing accommodations which are not available, and that it is*
3 *necessary for the health and safety of the people that all*
4 *facilities of the United States Government be made available*
5 *and coordinated to obtain a maximum amount of housing.*
6 The purposes of this title are to stabilize the prices of real
7 estate to be used for housing purposes, and to prevent specu-
8 lative, unwarranted, and abnormal increases in the selling
9 prices of such real estate; to eliminate and prevent profiteer-
10 ing in the sale of real estate for housing purposes, the hoard-
11 ing of materials necessary for the construction of housing and
12 other buildings, and other disruptive practices; to encourage
13 the production of housing at a fair profit; to improve the
14 housing of the people of the Nation in order to foster their
15 health and general welfare; to encourage employment in the
16 housing construction industry, and to maintain such industry
17 at a high level of productivity; to prohibit an undue dis-
18 sipation of the savings of the people in the Nation in the
19 purchase of homes at speculative prices; to permit returning
20 veterans to acquire housing at fair prices; and to prevent a
21 post-emergency collapse of values in the housing field and
22 to promote a swift and orderly transition to a peacetime
23 economy.

24 “(b) The provisions of this title, and all regulations
25 and orders issued thereunder, shall terminate on ~~December~~

1 ~~31~~ June 30, 1947, or upon the date specified in a con-
2 current resolution by the two Houses of the Congress, de-
3 claring that the provisions of the ~~Act~~ *title* are no longer
4 necessary to deal with the existing national emergency,
5 whichever date is the earlier.

6 “(c) The provisions of this ~~Act~~ *title* shall be applicable
7 to the United States, its Territories and possessions, and the
8 District of Columbia.

9 “SEC. 702. (a) There is hereby created the Office of
10 Housing Stabilization, which shall be headed by a Director
11 of Housing Stabilization (hereinafter called the “Director”).
12 The Director shall be appointed by the President, by and
13 with the advice and consent of the Senate, and shall receive
14 compensation at the rate of \$12,000 per annum. The
15 Director may, subject to the civil-service laws, appoint such
16 employees as he deems necessary in order to carry out
17 his functions and duties under this title, and shall fix their
18 compensation in accordance with the Classification Act of
19 1923, as amended.

20 “(b) The Director shall formulate and develop a com-
21 prehensive national program to effectuate the purposes of
22 this title. In order to carry out this program, the Director
23 shall have the power to issue directives on policy to those
24 Federal departments and agencies which have functions
25 relating to or affecting housing.

1 “SEC. 703. (a) The Director is authorized to make
 2 such studies and investigations, to conduct such hearings, and
 3 to obtain such information as he deems necessary or proper
 4 to assist him in formulating policies, issuing regulations, and
 5 performing any other functions under this title. The
 6 Director is authorized to require any person who ~~owns,~~
 7 ~~holds an interest in,~~ ~~deals in,~~ ~~or offers to sell or to buy any~~
 8 ~~housing accommodations to furnish information under oath~~
 9 ~~or affirmation or otherwise, to make and keep records, and~~
 10 ~~to make reports: deals in, sells, rents, or buys, or offers to sell,~~
 11 *rent, or buy, any housing accommodations—*

12 “(1) *to furnish information under oath or affirma-*
 13 *tion or otherwise,*

14 “(2) *to make and keep records, and*

15 “(3) *to make reports,*
 16 *in respect of such dealings, sales, rentals, purchases, or offers.*

17 The Director may require any such person to permit the
 18 inspection and copying of records and other documents and
 19 the inspection of housing accommodations. *The Director*
 20 *may administer oaths and affirmations.* For the purpose of
 21 obtaining any information under this section, the Director
 22 may by subpoena require any such person to appear and
 23 testify or to appear and produce documents, or both, at any
 24 designated place. In case of refusal to obey a subpoena served
 25 upon any person under this section, the court for any district

1 in which such person is found or resides or transacts business,
2 upon application by the Director, shall have jurisdiction to
3 compel compliance with such subpoena.

4 “(b) No person shall be excused from complying with
5 any requirements under this section because of his privilege
6 against self-incrimination, but the immunity provisions of the
7 Compulsory Testimony Act of February 11, 1893 (U. S. C.,
8 1934 edition, title 49, sec. 46), shall apply with respect to
9 any individual who specifically claims such privilege.

10 “(c) Witnesses subpoenaed under this section shall be
11 paid the same fees and mileage as are paid witnesses in the
12 district courts of the United States.

13 “(d) The Director shall not publish or disclose any
14 information obtained under this title that he deems confi-
15 dential or with reference to which a request for confidential
16 treatment is made by the person furnishing such information.

17 “(e) Any person subpoenaed under this section shall
18 have the right to make a record of his testimony and to be
19 represented by counsel.

20 “SEC. 704. (a) Whenever in the judgment of the
21 Director the sales prices of housing accommodations the
22 construction of which is completed after the effective date of
23 this title have risen or threaten to rise to an extent or in a
24 manner inconsistent with the purposes of this Act, he may
25 by regulation or order establish maximum sales prices for

1 housing accommodations in accordance with the provisions
2 of this title. Any such regulation or order may be limited
3 in its scope to such geographical area or areas and to such
4 types or classifications of housing accommodations as in the
5 judgment of the Director may be necessary to effectuate
6 the purposes of this title. Before issuing any regulation or
7 order under this section, the Director shall, so far as prac-
8 ticable, advise and consult with representative members of
9 industries affected by such regulation or order, and he shall
10 give consideration to their recommendations and to any
11 recommendations which may be made by State and local
12 officials concerned with housing conditions in any area
13 affected by such regulation or order.

14 ~~“(b) Any regulation or order issued under the au-~~
15 ~~thority of this title establishing maximum sales prices for~~
16 ~~housing accommodations the construction of which is com-~~
17 ~~pleted after the effective date of this title shall provide for~~
18 ~~the fixing of a maximum sales price consisting of (i) the~~
19 ~~actual costs of the construction of the unit which are not~~
20 ~~in excess of the legal maximum prices of the materials and~~
21 ~~services entering into such construction; (ii) the fair market~~
22 ~~value of the land sold with the housing accommodation;~~
23 ~~but in no event less than the actual cost of land purchased~~
24 ~~prior to the effective date of this Act, and (iii) a margin~~
25 ~~of profit reflecting the generally prevailing margin of profit~~

1 upon comparable units during the calendar year 1941. Any
2 prospective seller of such housing accommodations may
3 apply for the establishment of a maximum sales price at
4 any time, including before the commencement of construc-
5 tion, during its progress, or after its completion. In any
6 case where a maximum sales price has been fixed on a basis
7 of estimated costs the prospective seller may, at any time
8 before the first sale and upon a showing that the actual legal
9 costs have substantially exceeded the estimated costs, apply
10 for such revision of the maximum sales price as may be
11 justified under the circumstances; and the Director may
12 similarly reduce the maximum sales price if the estimated
13 costs were substantially in excess of the actual legal costs.
14 No subsequent sale of such newly constructed housing accom-
15 modation shall be at a higher price than that established
16 for the first sale.

17 “(b) Any regulation or order issued under the authority
18 of this section with respect to housing accommodations the
19 construction of which is completed after the effective date of
20 this title shall provide that no sale of any such housing accom-
21 modations shall take place until after the builder thereof has
22 filed with the appropriate agency designated by the Director
23 a description of such accommodations, including a statement
24 of the proposed maximum sales price, and has received from
25 such agency a certification that such price is reasonably re-

lated to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the

1 *maximum sales price for any subsequent sale of such housing*
2 *accommodations.*

3 “(e) ~~Any regulation or order issued under the authority~~
4 ~~of this title establishing maximum sales prices for housing~~
5 ~~accommodations in existence and occupied on or prior to~~
6 ~~the effective date of this title shall establish as the maximum~~
7 ~~prices the price of the first bona fide sale of such housing~~
8 ~~accommodations after the effective date of this title.~~

9 “Any regulation or order under this subsection shall
10 provide for the making of appropriate adjustments in the
11 maximum sales price where substantial improvements have
12 been made subsequent to the last sale.

13 “(c) *The Director shall by regulation or order provide*
14 *for appropriate price increases for major structural changes*
15 *or improvements, not including ordinary maintenance and*
16 *repair, effected subsequent to the first sale after the effective*
17 *date of this title.*

18 “(d) The Director may promulgate such regulations
19 as he deems necessary and proper to carry out any of the
20 provisions of the title and may exercise any power or
21 authority conferred upon him by this title through such
22 department, agency, or officer as he shall direct. Any regu-
23 lation or order under this title may contain such classifica-
24 tions and differentiations and may provide for such adjust-

1 ments and reasonable exceptions as in the judgment of the
2 Director are necessary or proper in order to effectuate the
3 purposes of this title. *The Director shall have power to*
4 *forbid the export of any lumber or other materials to any*
5 *foreign country which are needed for the housing program.*

6 “(e) Whenever in the judgment of the Director such
7 action is necessary or proper in order to effectuate the
8 purposes of this title, he may by regulation or order make
9 such provisions as he deems necessary to prevent the circum-
10 vention or evasion thereof and he may regulate or prohibit
11 speculative or manipulative practices (including the requir-
12 ing of the purchase of land prior to or as a condition of
13 undertaking construction work or the requiring of the pur-
14 chaser of housing accommodations to buy additional land or
15 any commodity or service as a condition of securing such
16 housing accommodations) in connection with the sale of any
17 housing accommodations which in his judgment are equiva-
18 lent to or likely to result in price increases inconsistent with
19 the purposes of this title.

20 ~~“SEC. 705. (a)~~ Whenever in the judgment of the
21 Director there is a shortage of building materials for the con-
22 struction of needed housing accommodations, he may by
23 regulation or order allocate such materials in such manner
24 and upon such conditions as he deems necessary and appro-
25 priate in order to effectuate the purposes of this title, with

1 particular regard for the need for the construction of low-cost
2 housing accommodations and the need for housing accommo-
3 dations for rental.

4 “(b) Whenever in the judgment of the Director there
5 is a shortage of housing accommodations, he may by regula-
6 tion or order give preference in purchase or renting of housing
7 accommodations, the construction of which is completed after
8 the effective date of this title, in such manner and upon such
9 conditions as will effectuate the purposes of this title, with
10 particular regard for the housing needs of veterans of World
11 War II and their immediate families.

12 “SEC. 705. (a) Whenever in the judgment of the
13 Director there is a shortage in the supply of any material
14 or of any facilities suitable for the construction of housing
15 accommodations he may by regulation or order allocate,
16 or establish priorities for the delivery of, such material or
17 facilities in such manner, upon such conditions, and to such
18 extent as he deems necessary and appropriate in the public
19 interest and to effectuate the purposes of this title.

20 “(b) In issuing any regulation or order allocating or
21 establishing priorities for the delivery of any material or
22 facilities under this section, the Director shall give special
23 consideration to (1) the general need for housing accom-
24 modations for sale or rent at moderate prices, and (2)

1 *satisfying the housing requirements of veterans of World*
 2 *War II and their immediate families.*

3 “SEC. 706. Whenever in the judgment of the Director
 4 there is no practicable alternative method for securing the
 5 construction of adequate housing accommodations in an area
 6 where the shortage of housing accommodations is acute, he is
 7 authorized to subsidize the construction of new low-cost hous-
 8 ing accommodations. Any such subsidy assistance shall be
 9 granted on terms involving the minimum expenditure of funds
 10 necessary to secure the needed construction, and upon such
 11 other terms as are necessary and appropriate to effectuate the
 12 purposes of this title. Appropriations are hereby authorized
 13 to be made for subsidy payments under this section.

14 “SEC. ~~707~~ 706. It shall be unlawful for any person to
 15 effect, either as principal or broker, a sale of a housing unit
 16 *any housing accommodations* at a price in excess of the
 17 ~~ceiling price which shall be applicable~~ *maximum sales price*
 18 *applicable to such sale* under the provisions of this title, or to
 19 offer, solicit, attempt, or agree to making any such sale. *It*
 20 *shall be unlawful for any person to violate the terms of any*
 21 *regulation or order issued under the provisions of this title.*
 22 Notwithstanding any termination of this title as contemplated
 23 in section 701 (b) hereinabove, the provisions of this title,
 24 and of all regulations and orders issued thereunder, shall be
 25 treated as remaining in force, *as to rights or liabilities in-*

1 *curred or offenses committed prior to such termination date,*
2 for the purpose of sustaining any proper suit, action, or
3 prosecution with respect to any such right, liability, or
4 offense.

5 “SEC. ~~708~~ 707. Any person who is aggrieved by any
6 action taken pursuant to any regulation or order issued under
7 the authority of this title may petition the district court
8 of the district in which he resides or has his place of busi-
9 ness for a review of such action, and such district court
10 shall have jurisdiction to enjoin or set aside, in whole or in
11 part, such action or to dismiss the petition. No such action
12 shall be enjoined or set aside, in whole or in part, unless
13 the petitioner establishes to the satisfaction of the court that
14 such action is not in accordance with law or is arbitrary
15 or capricious.

16 “SEC. ~~709~~ 708. (a) Whenever in the judgment of the
17 Director any person has engaged or is about to engage in
18 any acts or practices which constitute or will constitute
19 a violation of any provision of section ~~707~~ 706 of this title,
20 he may make application to the appropriate court for an
21 order enjoining such acts or practices, or for an order en-
22 forcing compliance with such provision, and upon a showing
23 by the ~~Administrator~~ Director that such person has engaged
24 or is about to engage in any such acts or practices a perma-
25 nent or temporary injunction, restraining order, or other

1 order *may be granted and if granted* shall be granted without
2 bond.

3 “(b) Any person who willfully violates any provision
4 of section ~~704~~ 706 of this title, and any person who makes
5 any statement or entry false in any material respect in any
6 ~~document~~ record or report required to be kept or filed under
7 section 703, shall, upon conviction thereof, be subject to a
8 fine of not more than \$5,000, or to imprisonment for not more
9 than one year or to both such fine and imprisonment. When-
10 ever the Director has reason to believe that any person is
11 liable to punishment under this subsection, he may certify the
12 facts to the Attorney General, who may, in his discretion,
13 cause appropriate proceedings to be brought.

14 “(c) The district courts shall have jurisdiction of crimi-
15 nal proceedings for violations of section ~~707~~ 706 of this title,
16 and, concurrently with State and Territorial courts, of all other
17 proceedings under ~~the~~ *this* section. Such criminal proceed-
18 ings may be brought in any district in which any part of any
19 act or transaction constituting the violation occurred. Such
20 other proceedings may be brought in any district in which any
21 part of any act or transaction constituting the violation oc-
22 curred, and may also be brought in the district in which the
23 defendant resides or transacts business, and process in such
24 cases may be served in any district wherein the defendant
25 resides or transacts business or wherever the defendant may

1 be found. Any such court shall advance on the docket and
2 expedite the disposition of any criminal or other proceedings
3 brought before it under this section. No costs shall be
4 assessed against the Director or the United States Govern-
5 ment in any proceeding under this title.

6 “(d) If any person selling housing accommodations
7 violates a regulation or order prescribing a maximum selling
8 price, the person who buys such housing accommodations
9 may, within one year from the date of the occurrence of
10 the violation, bring an action for treble the amount by
11 which the consideration exceeded the maximum selling
12 price, plus reasonable attorney’s fees and costs as deter-
13 mined by the court. If the buyer fails to bring an action
14 under this subsection within sixty days from the date of
15 the violation, the Director may bring such action on behalf
16 of the United States within one year from the date of the
17 violation. If such action is brought by the ~~Administrator~~
18 *Director*, the buyer shall thereafter be barred from bringing
19 an action for the same violation.

20 “*SEC. 709. As used in this title—*

21 “(a) *The term ‘maximum sales price’ means the maxi-*
22 *mum price for which any housing accommodations may be*
23 *sold and includes the total consideration which may be paid*
24 *by the buyer for the housing accommodations with accompan-*
25 *ing land and improvements, excluding only those incidental*

1 charges, such as brokerage fees or commissions or charges,
2 which buyers or sellers of housing accommodations customarily
3 assume in the community where the accommodations are
4 located and which actually have been incurred for services
5 rendered at the buyer's or seller's request.

6 “(b) The term ‘person’ includes an individual, corpora-
7 tion, partnership, association, or any other organized group
8 of any of the foregoing, or legal successor or representative
9 of any of the foregoing.

10 “(c) The term ‘district court’ means any district court of
11 the United States, and the United States court for any
12 Territory or other place subject to the jurisdiction of the
13 United States.

14 “SEC. 710. There are authorized to be appropriated such
15 sums as may be necessary or proper to carry out the provisions
16 and purposes of this title: *Provided, however, That so much of*
17 *the First Deficiency Appropriation Act, 1946 (Public Law*
18 *Numbered 269, Seventy-ninth Congress, approved December*
19 *28, 1945), as reads ‘Provided, That none of the funds avail-*
20 *able under this head for administrative expenses shall be used*
21 *in paying the salary of any person engaged in making or*
22 *processing loans in excess of \$500,000 to any State, any*
23 *subdivision thereof, any municipality therein, or any public*
24 *authority, for construction purposes, unless in pursuance of a*
25 *specific authorization, except, however, that this provision*

1 *shall not apply to any application or loan approved or made*
2 *prior to December 15, 1945' shall not apply to loans made*
3 *for construction, removal, or remodeling of housing by*
4 *publicly supported educational institutions where made*
5 *for the purposes of housing veterans enrolled and attending*
6 *such institution.*

7 “SEC. 711. If any provision of this title or the applica-
8 tion of such provision to any person or circumstances shall
9 be held invalid, the validity of the remainder of the title
10 and the applicability of such provision to other persons or
11 circumstances shall not be affected thereby.”

A BILL

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

By Mr. PATMAN

NOVEMBER 20, 1945

Referred to the Committee on Banking and Currency

FEBRUARY 14, 1946

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

process or renovated butter and which are unfit for human consumption (H. Rept. 1595)(p. 1601).

17. HOUSING. The Rules Committee reported a resolution for consideration of H. R. 4761, the Patman housing bill (price control and subsidies)(pp. 1567, 1601).
18. FEED SHORTAGE. Rep. Philbin, Mass., urged Government action to provide more feed for New England livestock and poultry (p. 1597).
19. LEGISLATIVE PROGRAM. Majority Leader McCormack announced the legislative program for this week as follows: Mon. and Tues., Patman housing bill; Wed., bill to include department heads under Retirement Act; Thurs. and Fri., agricultural appropriation bill and deficiency appropriation bill (p. 1597).

HOUSE - February 22

20. TERRITORIES AND POSSESSIONS. Resident Commissioner, Pinero, Puerto Rico, inserted the President's letter to the Caribbean Commission outlining U. S. policy with respect to the governments of the non-self-governing territories of the Caribbean region (pp. 1615-6).
21. ADJOURNED UNTIL MONDAY, Feb. 25 (p. 1615).*

BILLS INTRODUCED

February 21

22. HOUSING. H. R. 5553, by Rep. Rogers, Mass., relating to veterans preferences in purchasing surplus property suitable for residential purposes. To Public Lands Committee. (p. 1602.) Remarks of author. (p. A956-7).
23. ELECTRIFICATION. H. R. 5555, by Rep. Harris, Ark., to amend the Rural Electrification Act of 1936, as amended. To Inter-state and Foreign Commerce Committee. (p. 1602.)
24. RESEARCH. S. 1850, by Sen. Kilgore, W. Va., (for himself and Senators Magnuson, Wash., Johnson, Colorado, Pepper, Fla., Fulbright, Ark., Saltonstall, Mass., Thomas, Utah, and Ferguson, Mich.), to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, etc. To Military Affairs Committee. (p. 1546.)
25. MINERALS. S. 1856, by Sen. Hatch, N. Mex., to reserve for the use of the United States all deposits of fissionable materials contained in the public lands. To Public Lands and Surveys Committee. (p. 1546.)

February 22

26. POSTAGE. S. 1858, by Sen. Mead, N. Y., (p. 1609.) and H. R. 5560, by Rep. McKenzie, La., to fix the rate of postage on domestic air mail, etc. (p. 1617). To Postage Office and Post Roads Committees.

*It is understood that there will be no legislative program today, in view of the death of Rep. Snyder, Pa.

27. FOOD PRODUCTION. Extension of remarks of Rep. Jenkins, Ohio, claiming that the New Deal is finally adopting the program advocated by the Republican Congressional Food Study Committee, and including a Baltimore (Md.) Sun Article urging the continuation of the victory garden program (pp. A950-1).
28. SCHOOL LUNCH PROGRAM. Extension of remarks of Reps. Murray, Wis., Mansfield, Mont., Link, Ill., and Rep. Biemiller, Wis., favoring the school lunch bill (pp. A957-8, A959, A959-60, A960).
29. FARM PRICES; LABOR. Rep. Graham, Pa., inserted a Wilmington (Pa.) Grange resolution favoring legislation to control strikes, to prevent interference with the marketing of farm produce, and to adjust prices to cover the increase in cost of farm labor (pp. A961-2).
30. HOUSING. Sen. Tunnell, Del., inserted Sen. Mead's (N. Y.) Housing Progress article summing up the housing situation in the U. S. and favoring S. 1592 the national housing policy bill (pp. A949-50).
Sen. Bridges, N. H., inserted four newspaper editorials opposing housing subsidies (pp. A958-9).
31. TRANSPORTATION. Sen. Hill, Ala., inserted Secretary Wallace's (Commerce Department) speech urging approval of the St. Lawrence Waterway (pp. A946-8).
32. INFLATION; ECONOMY. Rep. Buffett, Nebr., inserted a New York Times editorial urging the balancing of the Federal budget as the only real cure for inflation (p. A957).
33. VETERANS. Rep. Sikes, Fla., inserted a digest of the present benefits available for veterans under the G. I. Bill of Rights (pp. A962-3).
34. PHILIPPINES. Rep. Woodruff, Mich., inserted Francis B. Sayre's article, "Freedom Comes to the Philippines" (pp. A966-9).

ITEMS IN APPENDIX - FEBRUARY 22

35. MARKETING. Extension of remarks of Rep. Flannagan, Va., explaining his bill, H. R. 5496, to amend the provisions of the AAA act relating to marketing agreements and orders (p. A975).
36. PRICE CONTROL. Rep. Woodruff, Mich., inserted a constituent's letter containing a table showing the increase in certain food prices since 1941 (pp. A975-6).
37. HOUSING. Extension of remarks of Rep. Patman, Tex., urging ceiling prices on houses (p. A983-4).
38. FOREIGN RELIEF. Rep. Bloom, N. Y., inserted a Washington Evening Star article favoring the continued participation of the U. S. in UNRRA (p. A989).

COMMITTEE HEARINGS ANNOUNCEMENTS for Feb. 25: H. Appropriations, deficiency (ex.); H. Banking and Currency, OPA extension (Eccles); H. Civil Service, Federal pay bill (Flemming); H. Food shortage, dairy (OPA & USDA officials); S. Foreign Relations Subcommittee, St. Lawrence Waterway; S. Appropriations, urgent deficiency bill (ex.); S. Atomic Energy (ex.).

For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised routinely, of developments on any particular bill.

House of Representatives

THURSDAY, FEBRUARY 21, 1946

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Saviour of the world, the hope of every nation, grant that we may live generously each day for the good of others. Only when we breathe the spirit of the Golden Rule will the world become new. In the sacred name of liberty, in the cause of human brotherhood, deliver us from looking through the distorted glass of self-love and self-interest. O crown our souls with the loyal and helpful things which make life sweet and fair, blest with the sustaining power of religious faith, whose need we shall never outgrow until we outgrow temptation and sorrow. Thou who didst touch this earth with Thy holy feet and made a sacrament of labor, O help us to look up and heed the old injunction that man shall not live by bread alone. Allow no condition or circumstance to embitter or rend our hearts; by sympathy we shall win, and by forgiveness we shall conquer. In the name of Him who loved even His enemies, Christ our Redeemer. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

The SPEAKER. The Chair prefers not to recognize Members for 1-minute speeches today.

EXTENSION OF REMARKS

Mr. OUTLAND asked and was given permission to extend his remarks in the RECORD and include an address by Under Secretary of State Dean Acheson.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Milwaukee Journal.

Mr. CHURCH asked and was given permission to extend his remarks in the Appendix and include two editorials, one from the Chicago Daily News of February 19, 1946, entitled "Brotherhood" and the other one entitled "We Need Bomb Control."

CORRECTION OF THE RECORD

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to correct the RECORD of yesterday as follows:

Page 1521 of the RECORD, second column, where the colloquy took place between myself and the gentleman from Illinois [Mr. DIRKSEN], shows I used these words:

That is correct; not unless it be made today.

Whereas my words were:

That is correct; except that the appropriation may be continued in the manner it is today.

The last word in the paragraph appears in the RECORD as "groups", whereas it should be "schools."

The SPEAKER. Without objection, the permanent RECORD will be corrected accordingly.

There was no objection.

Mr. CHURCH. Mr. Speaker, on February 14, 1946, I extended my remarks in the Appendix of the RECORD. I ask unanimous consent to make corrections therein as follows:

On page A-793, correct four words in the second column, two in the third paragraph from top, the word "thing" should be "think", and the letters "Hs" should be "He."

Farther down in the same column, the fifth paragraph from the bottom, sixth line of that paragraph, the word "labor" should be "label", and in the next line the word "organization" should be "organizations."

The SPEAKER. Without objection, the permanent RECORD will be corrected accordingly.

There was no objection.

Mr. STEFAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STEFAN. Did I understand the distinguished Speaker to say there would be no 1-minute speeches today?

The SPEAKER. The Chair stated that he preferred not to recognize Members for that purpose today.

EXTENSION OF REMARKS

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD on the subject of the British loan.

Mr. GRAHAM asked and was given permission to extend his remarks in the RECORD and include a resolution passed by the Wilmington Grange.

Mr. JENKINS asked and was given permission to extend his remarks in the RECORD and include some newspaper clippings.

Mr. RANKIN asked and was given permission to extend his remarks and include an address delivered by Hon. Lothrop Stoddard over the radio on February 17, 1946.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include a statement and a newspaper article.

Mr. JACKSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper editorial.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a

brief statement regarding defense housing and the disposal of surplus property to veterans.

AMENDMENT TO NATIONAL HOUSING ACT

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 530, Rept. No. 1593), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed one day, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

MAINTENANCE, OPERATION, AND EXPANSION OF SCHOOL-LUNCH PROGRAMS

Mr. FLANNAGAN. Mr. Speaker. I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes.

CALL OF THE HOUSE

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. FLANNAGAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 27]

Adams	Chenoweth	Douglas, Ill.
Angell	Chipfield	Eberharter
Baldwin, Md.	Clason	Ervin
Baldwin, N. Y.	Cole, Kans.	Fisher
Barry	Cole, N. Y.	Flood
Beall	Colmer	Gathings
Bolton	Courtney	Harness, Ind.
Brooks	Crosser	Hart
Buckley	Curley	Hartley
Canfield	Daughton, Va.	Hays
Case, N. J.	Dawson	Hendricks
Chapman	De Lacy	Heseltun

Holifield	Patterson	Simpson, Pa.
Hook	Peterson, Fla.	Starkey
Jennings	Peterson, Ga.	Sumner, Ill.
Kelly, Ill.	Pfeifer	Taylor
Kerr	Randolph	Thom
Landis	Reed, N. Y.	Thomas, N. J.
Lane	Rich	Vursell
Luce	Robertson, Va.	West
Lynch	Robinson, Utah	Winter
McGregor	Roe, N. Y.	Zimmerman
Morrow	Schwabe, Okla.	
Norton	Short	

The SPEAKER. Three hundred and sixty Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MAINTENANCE, OPERATION, AND EXPANSION OF SCHOOL-LUNCH PROGRAMS

The SPEAKER. The question is on the motion of the gentleman from Virginia that the House resolve itself into the Committee of the Whole House on the State of the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3370) providing for a permanent school-lunch program participated in by the Federal Government, with Mr. JACKSON in the chair.

The Clerk read the title of the bill.

Mr. FLANNAGAN. Mr. Chairman, I move that all debate on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] to strike out title II be concluded in 30 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia [Mr. FLANNAGAN].

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Speaker, I would like to have the attention of the gentleman from Virginia [Mr. FLANNAGAN], chairman of the Committee on Agriculture, who yesterday made the statement that the American Medical Association has endorsed this school-lunch program. I do not know what the gentleman was reading from when he made that statement, but I took the trouble to investigate this matter and I learn that the American Medical Association has not at any time taken any official action on any of the school-lunch bills.

The authority for my statement is Dr. Joseph F. Lawrence, director, Washington office, American Medical Association, who, at my request to obtain the facts, telephoned to the American Medical Association headquarters in Chicago yesterday afternoon and this is what he reported to me.

Mr. FLANNAGAN. All I know is that the Parent-Teachers Association furnished me with that endorsement.

Mr. SMITH of Ohio. That is not the endorsement of the American Medical Association.

Mr. FLANNAGAN. It was the endorsement of the American Medical Association.

Mr. SMITH of Ohio. Did that organization state that the American Medical Association endorsed this program.

Mr. FLANNAGAN. It did.

Mr. SMITH of Ohio. It actually did. Then the gentleman will grant that it was wrong in that statement?

Mr. FLANNAGAN. I will grant anything but that. I believe that they did.

Mr. SMITH of Ohio. The gentleman believes they did, but he has no official record of it.

Mr. FLANNAGAN. Well, I think I can get the record.

Mr. SMITH of Ohio. The gentleman thinks he can get the record that the American Medical Association endorsed this program?

Mr. FLANNAGAN. I do not think there is any question about it.

Mr. SMITH of Ohio. Notwithstanding the fact as I have presented it, the gentleman from Virginia insists that the American Medical Association endorsed the Federal school-lunch program. This, it seems to me, is most remarkable.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, title I of this bill, as has been pointed out several times, makes permanent the school-lunch program with which we have had 10 years of experience, and we know what we are doing.

Title II sets up a new program different from anything we have ever had before, and the committee report on page 2, at the end of the first paragraph, says so frankly. It says:

The background and experience of the United States Office of Education are thus also directed toward the support of the program for the first time.

Careful reading of the bill reveals that this "support" can become, in essence, direction of the program.

The most dangerous part of title II is section 204. Let me read the essential part of it:

Whenever the Commissioner—

That is the Commissioner of Education—

after reasonable notice and opportunity for hearing to the State educational agency, finds that with respect to money paid to the State under this title there is a failure to comply substantially with any provision required by section 203 (a) to be included in the plan, the Commissioner shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply.

Thus a State cannot get its money unless it first of all satisfies the Commissioner here in Washington.

Again, in title I there is a specific prohibition in section 107 that the Secretary of Agriculture shall not "impose any requirement with respect to administration, teaching personnel, curriculum, instruction, methods of instruction, or materials of instruction of any school," but that prohibition is omitted from title II dealing with the new functions to be given to the Office of Education.

I am perfectly willing to give the \$15,000,000 directly to the State educational agencies for them to use in pro-

moting, stimulating, developing, supervising, and directing this program as they see fit and in improving education with respect to nutrition, dietetics, and so forth; but I am not willing to give 50 cents to the United States Office of Education for it to use in carrying out such programs.

For years such attempts to get the United States Office of Education into the public school system have been continuously opposed by the Committee on Education. This is an attempt to get it in via the Committee on Agriculture. I am opposed to giving any Federal agency power or supervision over our school system for any purpose or in any form, including hot school lunches.

The surest safeguard against ever losing our essential liberties is to keep the Federal Government from ever getting the slightest control over our churches and our schools—that is, over the hearts and minds of our children.

Deplorable and dangerous as are inadequate food and inadequate education, far more dangerous is controlled education. Title II could make possible a step in that direction. I want to vote to continue the school-lunch program but I can do so only if title II is stricken out.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. ROBERTSON].

Mr. ROBERTSON of North Dakota. Mr. Chairman, I am heartily in support of this amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. If title II is stricken from the bill, with good conscience, I could vote for the remainder of the bill. I hope this Congress will strike title II from the bill.

I favor the school-lunch program, but it must forever remain free from Federal direction.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, title II is not essential to the school-lunch program as it has been carried on heretofore. There are, in my judgment, many grounds of valid objection to the provisions of title II. I feel that the chances of the enactment of the legislation would be materially improved if title II should be stricken from the bill, and I hope that the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will be adopted. I believe that the majority of the membership of this House would like to see this program continued substantially in the same way that it has been carried on for 10 years, and I think the effect of striking out title II would tend to bring about that result, so I hope the amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman, in view of what transpired yesterday and in view of the statement of the gentleman who preceded me, I think it will be for the best interests of all concerned that we adopt the amendment offered by the gentleman from Minnesota to strike out title II. In that way we can eliminate

the further reason that their equipment is not ready to meet with American equipment, and wanting to stop American competition until such time as they are ready to meet it with both equipment and fares, promptly refused to permit said American planes to land in the British Isles on more than the two flights a week which were guaranteed by treaty. The additional scheduled flights which had been allotted under this situation resulted in the American competitor having to increase its proposed fare from \$275 to \$375, charging the traveling public \$100 more than it thought necessary for a one-way flight across the Atlantic.

We have in this Bermuda Conference an example of the destruction of American enterprise, American ingenuity, American capital, and American labor, and the Bermuda Conference provides the delay until such time as our foreign competitors will have gathered their resources to a point where our weakened transportation system will not have an opportunity to fairly compete with not only foreign competition abroad but will be cursed with the do-gooders at home.

I do urge that immediately Congress take hold of this matter, arouse itself from its lethargy and assume the responsibility which it has and prepare the necessary legislation in the proper committee. This business of Congress fiddling while its jurisdiction is destroyed is one which is tragic. These policies should not be written at some joyful watering place, where cocktail parties and diplomatic balderdash are in order, but rather in the committee rooms and legislative halls of Congress, where the membership dealing with the problem are concerned, not about what a delightful companion "Sir Henry" is, but with what is in the best interests of America.

(Mr. O'HARA asked and was given permission to revise and extend his remarks.)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BALDWIN of New York, for 18 days, on account of important business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 323. An act for the relief of Thomas F. Gray;

S. 400. An act for the relief of Elisabeth Andersen;

S. 543. An act for the relief of Felix Fredrickson;

S. 683. An act for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually;

S. 865. An act for the relief the estate of Agnes J. Ailberry;

S. 1084. An act for the relief of John C. May and Eva Jenkins May;

S. 1126. An act for the relief of Alice A. Murphy;

S. 1131. An act for the relief of Jess Hudson;

S. 1400. An act for the relief of Robert R. Rowe, Jr.;

S. 1423. An act for the relief of Charles L. Phillips;

S. 1588. An act for the relief of Mrs. Lona Wilson; and

S. 1618. An act to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p. m.) the House adjourned until tomorrow, Friday, February 22, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

(Friday, February 22, 1946)

The Committee on Expenditures in the Executive Departments will hold hearings on surplus property at 10 a. m., Friday, February 22, 1946.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, February 26, 1946)

There will be a meeting of the Federal Trade Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, February 26, 1946.

Business to be considered: Resume public hearings on H. R. 2390 (to amend the act creating the Federal Trade Commission) to complete list of proponent witnesses. Federal Trade Commission representatives will be heard in opposition commencing February 27, to be followed by other opponent witnesses.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1081. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend the Canal Zone Code, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

1082. A letter from the Administrator, Surplus Property Administration, transmitting a report on radio and electrical equipment; to the Committee on Expenditures in the Executive Departments.

1083. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on Disposition of Executive Papers.

1084. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill for the retirement of public-school teachers in the District of Columbia; to the Committee on the District of Columbia.

1085. A letter from the Archivist of the United States, transmitting a draft of a proposed bill to amend section 10 of the act establishing a National Archives of the United States Government; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 530. Resolution providing for the consideration of H. R. 4761, a bill to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the

availability of real estate for housing purposes at fair and reasonable prices, and for other purposes; without amendment (Rept. No. 1593). Referred to the House Calendar.

Mr. MURDOCK: Committee on Irrigation and Reclamation. Senate Joint Resolution 136. Joint resolution changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill; without amendment (Rept. No. 1594). Referred to the House Calendar.

Mr. CAMP: Committee on Ways and Means. H. R. 3611. A bill to authorize the condemnation of materials which are intended for use in process or renovated butter and which are unfit for human consumption, and for other purposes; without amendment (Rept. No. 1595). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1596. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1597. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRUMBAUGH:

H. R. 5543. A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. HAGEN:

H. R. 5544. A bill authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Iowa:

H. R. 5545. A bill granting the consent of Congress to the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near the town of Farmington, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of New York:

H. R. 5546. A bill to provide for salary payments to certain individuals who while Members of the House of Representatives of the Seventy-seventh Congress served in the military or naval forces of the United States; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 5547. A bill to authorize a preliminary survey to determine the feasibility of constructing a canal from the Apalachicola River, near Wewahatchka, Fla., to East Bay, Fla.; to the Committee on Rivers and Harbors.

H. R. 5548. A bill to authorize a preliminary survey to determine the feasibility of reopening West Gap across St. Georges Island, Fla., from the Gulf of Mexico into Apalachicola Bay, Fla.; to the Committee on Rivers and Harbors.

By Mr. McDONOUGH:

H. R. 5549. A bill to provide that a veteran's compensation, pension, or retirement pay shall not be reduced during his hospitalization or domiciliary care; to the Committee on World War Veterans' Legislation.

By Mr. BRADLEY of Michigan:

H. R. 5550. A bill to provide funds for cooperation with the board of education of the Superior-Bay Mills Township Rural Agricultural High School, Brimley, Mich., in the construction of public-school facilities to be available to Indian children; to the Committee on Indian Affairs.

By Mr. HARLESS of Arizona:

H. R. 5551. A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. KING:

H. R. 5552. A bill relating to the sale by the United States of surplus vessels suitable for tuna fishing; to the Committee on Expenditures in the Executive Departments.

By Mrs. ROGERS of Massachusetts:

H. R. 5553. A bill relating to veterans' preferences in purchasing surplus property suitable for residential purposes; to the committee on Expenditures in the Executive Departments.

By Mr. D'ALESSANDRO:

H. R. 5554. A bill to provide for the establishment of the General Sam Smith National Historical Park in Baltimore, Md.; to the Committee on the Public Lands.

By Mr. HARRIS:

H. R. 5555. A bill to amend the Rural Electrification Act of 1936, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SPENCE:

H. J. Res. 321. Joint resolution to authorize the making of settlement on account of certain currency destroyed at Fort Mills, P. I., and for other purposes; to the Committee on Banking and Currency.

By Mr. BENNET of New York:

H. Con. Res. 129. Concurrent resolution to provide for a joint committee to investigate conditions in Palestine; to the Committee on Rules.

By Mr. PRICE of Illinois:

H. Res. 531. Resolution investigating the disruption of transportation on Toledo, Peoria & Western Railroad; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER. Memorial of the legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to increase the aid to dependent children program; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUFFETT:

H. R. 5556. A bill for the relief of Jon Ovezia; to the Committee on Immigration and Naturalization.

By Mr. LEONARD W. HALL:

H. R. 5557. A bill for the relief of Mike Sopko; to the Committee on Claims.

By Mr. SIKES:

H. R. 5558. A bill for the relief of Mrs. W. T. Scarborough; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1612. By Mr. CLASON: Petition of the General Court of Massachusetts, urging the Congress to immediately pass legislation to so amend the Federal aid to dependent children law as to permit the matching with Federal funds of all amounts expended by States, or their political subdivisions, on account of aid to dependent children; to the Committee on Ways and Means.

1613. By Mr. DONDERO: Petition of the American Mothers of Detroit, Mich., expressing their opposition to a loan to Great Britain or similar loans that may be proposed to other nations but that attention be focused on the interests of this Republic (United States) and its citizens, including GI Joe; to the Committee on Banking and Currency.

1614. By Mr. DONDERO: Petition of the American Mothers of Detroit, Mich., urging that steps be taken to place the wheels in motion to include in any program for permanent peace in which the United States shall participate a disarmament provision for all nations and that an office to be known as Secretary of Peace be included within the President's Cabinet; to the Committee on Foreign Affairs.

1615. By Mr. GOODWIN: Memorial of the General Court of Massachusetts, to increase the aid to dependent children program; to the Committee on Ways and Means.

1616. By Mr. GRAHAM: Petition of 90 Pennsylvania Railroad employees, in support of House bill 1737, the Railroad Pension Act; to the Committee on Interstate and Foreign Commerce.

1617. By Mr. SUNDSTROM: A concurrent resolution of the New Jersey State Legislature, memorializing the United States Senate and House of Representatives not to ratify any treaty or agreement with the Dominion of Canada or pass any legislation which may provide for the construction of the St. Lawrence seaway; to the Committee on Foreign Affairs.

1618. By Mr. WELCH: Memorial of California House, Resolution No. 86, relating to development of Alaska and amendment of Servicemen's Readjustment Act of 1944, extending benefits to veterans for Alaska homesteads; to the Committee on World War Veterans' Legislation.

1619. Also, memorial of California Assembly, Joint Resolution No. 8, relative to amendment and extension of the Federal Social Security Act in respect to public assistance; to the Committee on Ways and Means.

1620. Also, memorial of California Assembly, Joint Resolution No. 15, relative to migratory birds and the open season for the taking thereof; to the Committee on Agriculture.

House Calendar No. 304

79TH CONGRESS
2D SESSION

H. RES. 530

[Report No. 1593]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 21, 1946

Mr. SABATH, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 4761) to amend the
5 National Housing Act by adding thereto a new title re-
6 lating to the speculation and excessive profits in the sale of
7 housing, and to insure the availability of real estate for hous-
8 ing purposes at fair and reasonable prices, and for other
9 purposes. That after general debate, which shall be confined
10 to the bill and shall continue not to exceed one day, to be
11 equally divided and controlled by the chairman and the
12 ranking minority member of the Committee on Banking and
13 Currency, the bill shall be read for amendment under the
14 five-minute rule. At the conclusion of the reading of the

1 bill for amendment, the Committee shall rise and report the
 2 same to the House with such amendments as may have been
 3 adopted, and the previous question shall be considered as
 4 ordered on the bill and amendments thereto to final passage
 5 without intervening motion except one motion to recommit.

RESOLUTION

Providing for the consideration of H. R. 4761, to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

By Mr. SAVATH

FEBRUARY 21, 1946

Referred to the House Calendar and ordered to be printed

CONSIDERATION OF H. R. 4761

FEBRUARY 21, 1946.—Referred to the House Calendar and ordered to be printed

Mr. SABATH, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 530]

The Committee on Rules, having had under consideration House Resolution 530, report the same to the House with the recommendation that the resolution do pass.



14. HOUSING. Passed without amendment S. 1821, to authorize appropriation of \$250,000,000 for emergency housing for veterans (pp. 1641-3).
15. URGENT DEFICIENCY APPROPRIATION BILL. This bill, H. R. 5458, was made the unfinished business (p. 1636).

House - February 26

16. HOUSING. Began debate on H. R. 4761, the Patman housing bill to create a Director of Housing Stabilization with authority to formulate a national housing program, establish maximum sales prices for housing accommodations, allocate building materials, give preference to veterans in the purchase or renting of housing, and subsidize the construction of new low-cost housing (pp. 1684-1720). During the debate, Rep. Patman, Tex., inserted a CPA statement of lumber exports, 1935-45 (pp. 1700-1), Reps. Monroney, Okla., and Ellsworth, Oreg., discussed lumber prices and the effect of subsidies on the lumber industry (p. 1711), and Rep. Crawford, Mich., announced that he intended to propose amendments to the bill to provide for housing in rural areas and for the construction and repair of essential farm buildings (p. 1717). The Public Buildings and Grounds Committee reported with amendments, H.R. 5455, to amend the National Defense Housing Act of 1940 by authorizing funds for 100,000 additional temporary housing units for veterans and servicemen (H. Rept. 1652) (p. 1722).
17. MINIMUM WAGE. Received a Calif. Legislature memorial urging an increase in the national minimum wage structure (p. 1723).
18. ELECTRIFICATION. Received a Princeton, Mo. citizens' petition favoring H.R. 1742, to authorize additional appropriations and loan authorization for REA (p. 1723).

BILLS INTRODUCED

19. LABOR. H.R. 5570, by Rep. Hoffman, Mich., to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to diminish unemployment, to establish a national policy for assuring continuing employment in a free competitive economy, and to protect the right to work (p. 1627.) H.R. 5571, by Rep. Hoffman, Mich., to prevent interference with interstate or foreign commerce and to prevent interference with public utilities serving communities engaged in interstate and foreign commerce (p. 1627.) H.R. 5583, by Rep. Miller, Calif., to amend section 3 of the Fair Labor Standards Act of 1938, as amended, with respect to the operation of certain hotels and inns (p. 1627.) To the Labor Committee.
20. RESEARCH. H.R. 5572, by Rep. Lemke, N. Dak., to prohibit experiments upon living dogs in the District of Columbia and providing a penalty for violation thereof (p. 1627.). To the District of Columbia Committee.
21. SURPLUS PROPERTY. H.R. 5576, by Rep. Rogers, Mass., a bill relating to veterans' priorities in purchasing surplus property suitable for residential purposes (p. 1627). To Expenditures in the Executive Departments Committee.
22. HOUSING. H.R. 5579, by Rep. Wolcott, Mich., to amend the National Housing Act by adding thereto a new title to provide for a housing expeditor and to define his powers, providing for the allocation of building materials for the construction of homes, providing for preference to veterans of World War II in the purchase or rental of housing accommodations, to amend title VI of the

National Housing Act. To Banking and Currency Committee. (p. 1627.)

23. FORESTRY: INSECT CONTROL. S. 1863, by Sen. Thomas, Okla., to provide for the protection of forests against destructive insects and diseases. To Agriculture and Forestry Committee. (p. 1632.)
24. COUNTY FAIRS. H.R. 5588, by Rep. Elliott, Calif., to exempt from the Federal amusement tax all admissions charged to fairs. To Ways and Means Committee. (p. 1723.)
25. FARM LABOR. H.R. 5592, by Rep. Outland, Calif., to amend certain provisions of the Social Security Act and the Internal Revenue Code in order to bring within the scope thereof industrial operations performed on agricultural commodities and to confine exemptions to farming and related activities. To Ways and Means Committee. (p. 1723.)
26. MINERALS. H.R. 5594, by Rep. Peterson, Fla., to reserve for the use of the United States all deposits of fissionable materials contained in the public lands. To Public Lands Committee. (p. 1723.)

ITEMS IN APPENDIX

27. LUMBER EXPORTS. Speech in the House by Rep. McCormack, Mass., calling attention to the facts on lumber exports and including Arthur Paul's (Assistant Secretary of Commerce) letter explaining that present exports are not a serious drain on our lumber supply (pp. A997-8).
Speech in the House by Rep. Springer, Ind., criticizing lumber exports in view of the housing shortage (p. A1003).
Rep. Talle, Iowa, inserted a State Department letter explaining the need for continued lumber exports and a National Retail Lumber Dealers Assn. letter opposing lumber exports and citing their reasons (pp. A1074-8).
28. PRICE CONTROL. Rep. White, Idaho, inserted a constituent's letter favoring the continuation of price control. (pp. A1001-2).
Rep. Hoffman, Mich., inserted a constituent's letter citing the price increases on certain foods since 1941 (pp. A1003-4).
Extension of remarks of Rep. Miller, Nebr., opposing the continuation of price control and the OPA (pp. A1044-5).
Extension of remarks of Rep. Pittenger, Minn., charging that the "OPA is ruining coffee industry" (p. A1045).
29. HOUSING. Extension of remarks of Rep. Monreney, Okla., explaining two amendments he intends to propose to the Patman housing bill (p. A1028).
Rep. Hill, Colo., inserted Governor Vivian's (Colo.) letter to the Housing Expediter asking for release of building materials to enable private industry to construct housing (pp. A1031-2).
Rep. Forand, R.I., inserted a Pawtucket (R.I.) Real Estate Exchange letter opposing the Patman housing bill (p. A1033).
Rep. Ramey, Ohio, inserted a constituent's letter opposing the Wyatt housing plan and the Patman housing bill (p. A1043).
30. FARM PRICES: SUBSIDIES. Sen. Guffey, Pa., inserted a Phila. (Pa.) Evening Bulletin editorial stating that "Pennsylvania farmers have not benefited as much from Government subsidies as those in other sections" (p. A1009).

way we can do that is with American ships, American owned, and sailed by Americans.

I read from the Shipping World—British—January 30:

Statistics are becoming available which suggest the main pattern of British ship-building in the postwar years. There are some 180 oceangoing ships, of approximately 1,400,000 tons gross, actually under construction, while orders for a further 106 ships, totaling about 730,000 tons gross, await vacant berths.

There is another statement to the effect that British blocked sterling balances held by Norway, Holland, and Greece, are expected to be paid off in large part by British services in rebuilding the merchant fleets of these countries. Are we to repeat the great tragedy of 1920 when we were selling ships for \$5 a ton, and later taking them back, getting nowhere—the time when our merchant marine was driven off the seas? I am pleading for the promotion of trade. I am pleading for some method of paying the taxes that Mr. Knutson talks about. I am pleading for the promotion of commerce and, more than all, for a sufficient merchant marine for national security in time of emergency.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to commend the gentleman from Virginia who is our able chairman of the Committee on the Merchant Marine and Fisheries for the fine hard work that he has done on the various bills on this subject of ship sales in the last 2 years. There has been a great deal said about differences in the committee. Some of these differences were brought about by the State Department, in one case by reason of the fact that it urged some preferences for foreigners, in terms of sales. Our able chairman helped to resolve those differences. Thank God we have a bill finally that does not favor foreigners and that will enable Americans to own and operate these ships. I want to again commend the able chairman for his arduous work during the past 2 years in finally bringing this bill to passage today.

Mr. BLAND. I thank the gentleman.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 116, noes 14.

Mr. DIRKSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 233, nays 115, not voting 82, as follows:

[Roll No. 33]

YEAS—233

Adams	Gavin	May
Allen, Ill.	Gearhart	Merrow
Almond	Gerlach	Michener
Anderson, Calif.	Gibson	Miller, Calif.
Andrews, Ala.	Gillespie	Monroney
Andrews, N. Y.	Gordon	Morgan
Angell	Gorski	Murdock
Arnold	Gossett	Murphy
Auchincloss	Graham	Neely
Bailey	Granahan	Norblad
Barrett, Pa.	Grant, Ala.	O'Brien, Ill.
Barry	Gregory	O'Neal
Bates, Ky.	Griffiths	O'Toole
Beckworth	Gross	Patman
Bell	Hale	Patrick
Bender	Hall	Peterson, Fla.
Bennet, N. Y.	Edwin Arthur	Philbin
Bishop	Hall	Phillips
Blackney	Leonard W.	Price, Fla.
Bland	Halleck	Priest
Bolton	Hancock	Rabaut
Bradley, Mich.	Hand	Rabin
Brown, Ga.	Hare	Rains
Brown, Ohio	Harness, Ind.	Ramey
Brumbaugh	Harris	Rankin
Bryson	Havener	Rayfiel
Buck	Hedrick	Reece, Tenn.
Bulwinkle	Hendricks	Reed, Ill.
Burch	Herter	Resa
Burgin	Hess	Richards
Butler	Hill	Robertson, Va.
Camp	Hinshaw	Rockwell
Campbell	Hobbs	Rodgers, Pa.
Carlson	Hoch	Roe, Md.
Carnahan	Holifield	Roe, N. Y.
Case, N. J.	Holmes, Wash.	Rogers, Fla.
Celler	Hope	Rogers, Mass.
Church	Howell	Rogers, N. Y.
Clark	Izac	Rooney
Cochran	Jenkins	Rowan
Cole, Mo.	Johnson, Calif.	Ryder
Cole, N. Y.	Johnson	Sabath
Combs	Luther A.	Sadowski
Cooley	Johnson	Sasser
Cooper	Lyndon B.	Scrivner
Corbett	Kearney	Sharp
Cox	Kee	Sheppard
Crosser	Kefauver	Sikes
D'Alesandro	Kelley, Pa.	Simpson, Ill.
Davis	Kelly, Ill.	Simpson, Pa.
Delaney	Keogh	Smith, Maine
James J.	Kilday	Smith, Va.
Delaney	King	Sparkman
John J.	Kinzer	Spence
D'Ewart	Kirwan	Starkey
Dingell	Kopplemann	Stewart
Dondero	Kunkel	Stigler
Doughton, N. C.	LaFollette	Sullivan
Douglas, Ill.	Lane	Sundstrom
Doyle	Lanham	Talbot
Drewry	Larcade	Tarver
Eaton	Lea	Thomas, N. J.
Eberharter	LeFevre	Thomas, Tex.
Elliott	Lemke	Thomason
Ellsworth	Lesinski	Tibbott
Elsaesser	Link	Tolan
Elston	Ludlow	Torrens
Engle, Calif.	Lyle	Towe
Ervin	McCormack	Traynor
Fallon	McCowan	Trimble
Fenton	McDonough	Wadsworth
Flannagan	McKenzie	Weichel
Fogarty	McMillan, S. C.	Welch
Folger	McMillen, Ill.	Wolcott
Forand	Maloney	Wolfenden, Pa.
Fuller	Manasco	Wolverton, N. J.
Gallagher	Mankin	Wood
Gamble	Mansfield, Tex.	Woodhouse
Gardner	Martin, Mass.	Woodruff
Gary	Mathews	

NAYS—115

Abernethy	Clevenger	Geelan
Allen, La.	Coffee	Gillie
Andersen	Colmer	Goodwin
H. Carl	Cravens	Gore
Andresen	Crawford	Granger
August H.	Cunningham	Grant, Ind.
Barrett, Wyo.	Curtis	Gwynne, Iowa
Bates, Mass.	De Lacy	Hagen
Bennett, Mo.	Dirksen	Harless, Ariz.
Biemiller	Dolliver	Healy
Bonner	Douglas, Calif.	Henry
Brooks	Durham	Hoeven
Buffett	Dworshak	Hoffman
Byrnes, Wis.	Earthman	Horan
Canfield	Ellis	Huber
Chelf	Engel, Mich.	Hull
Clason	Fellows	Jackson
Clements	Gathings	Jennings

Jensen	Murray, Wis.	Smith, Ohio
Johnson, Ill.	Norrell	Smith, Wis.
Johnson, Ind.	O'Brien, Mich.	Springer
Johnson, Okla.	O'Hara	Stefan
Jones	O'Konski	Stevenson
Jonkman	Outland	Stockman
Kean	Pace	Summer, Ill.
Kilburn	Patterson	Taber
Knutson	Pickett	Talle
Lecompte	Pittenger	Thom
Lewis	Ploesser	Voorhis, Calif.
McGehee	Plumley	Vursell
Madden	Poage	Wasielewski
Mahon	Price, Ill.	White
Mansfield	Rees, Kans.	Whitten
Mont.	Rich	Whittington
Marcantonio	Rizley	Wickersham
Martin, Iowa	Robison, Ky.	Wigglesworth
Mason	Russell	Winstead
Miller, Nebr.	Savage	Worley
Mills	Shafer	
Mundt	Short	

NOT VOTING—82

Arends	Fisher	Norton
Baldwin, Md.	Flood	Peterson, Ga.
Baldwin, N. Y.	Fulton	Pfeifer
Barden	Gifford	Powell
Beall	Gillette	Quinn, N. Y.
Bloom	Green	Randolph
Boren	Gwinn, N. Y.	Reed, N. Y.
Boykin	Hart	Riley
Bradley, Pa.	Hartley	Rivers
Brehm	Hays	Robertson
Buckley	Hebert	N. Dak
Bunker	Heffernan	Robinson, Utah
Byrne, N. Y.	Heselton	Schwabe, Mo.
Cannon, Fla.	Holmes, Mass.	Schwabe, Okla.
Cannon, Mo.	Hook	Sheridan
Case, S. Dak.	Jarman	Slaughter
Chapman	Judd	Somers, N. Y.
Chenoweth	Keefe	Summers, Tex.
Chiperfield	Kerr	Taylor
Clippinger	Landis	Vinson
Cole, Kans.	Latham	Vorys, Ohio
Courtney	Luce	Walter
Curley	Lynch	Weaver
Daughton, Va.	McConnell	West
Dawson	McGlinchey	Wilson
Domengeaux	McGregor	Winter
Feighan	Morrison	Zimmerman
Fernandez	Murray, Tenn.	

So the conference report was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Randolph with Mr. Taylor.
Mr. Heffernan with Mr. Latham.
Mr. Sheridan with Mr. Holmes of Massachusetts.

Mr. Lynch with Mr. Brehm.
Mr. Quinn of New York with Mr. Arends.
Mr. McGlinchey with Mr. Hartley.
Mr. Murray of Tennessee with Mr. McGregor.

Mr. Pfeifer with Mr. Beall.
Mr. Curley with Mr. Reed of New York.
Mr. Bunker with Mr. Heselton.
Mr. Hook with Mr. Schwabe of Missouri.
Mr. Bloom with Mr. Judd.
Mr. Flood with Mr. Keefe.
Mr. Vinson with Mr. Schwabe of Oklahoma.
Mr. Somers of New York with Mr. Gifford.
Mr. Buckley with Mr. Chiperfield.
Mr. Baldwin of Maryland with Mr. Vorys of Ohio.

Mr. Courtney with Mr. Case of South Dakota.

Mr. Boren with Mr. Chenoweth.
Mr. Morrison with Mr. Fulton.
Mr. Kepr with Mr. Clippinger.
Mr. Hart with Mr. Gillette.

Mr. VOORHIS of California, Mr. MARCANTONIO, Mrs. DOUGLAS of California, Mr. OUTLAND, Mr. DE LACY, Mr. ALLEN of Louisiana, Mr. GILLIE, Mr. LEWIS, Mr. CUNNINGHAM, and Mr. MADDEN changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain material and I also ask unanimous consent that all Members may have five legislative days to extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

BUFFALO BILL DAM AND RESERVOIR

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 136, changing the name of the Shoshone Dam and Reservoir to Buffalo Bill Dam and Reservoir in commemoration of the one-hundredth anniversary of the birth of William Frederick Cody, better known as Buffalo Bill.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That in commemoration of the one hundredth anniversary of the birth on February 26, 1846, of William Frederick Cody, better known as Buffalo Bill, the name of the Shoshone Dam and Reservoir in Park County, Wyo., is changed effective February 26, 1946, to the "Buffalo Bill Dam and Reservoir."

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. MURDOCK. Mr. Speaker, today, February 26, is the one hundredth anniversary of the birth of William S. Cody, better known throughout the West and throughout the world as Buffalo Bill. It seems fitting that we should commemorate this day in a manner that will place this unique westerner in a firmer place in our minds and memories. Such is the very purpose of Senate Joint Resolution 136, which has just passed the House by unanimous consent. This measure was sponsored in the Senate by Senator ROBERTSON, whose home is at Cody, Wyo., and who himself was a lifelong friend of William F. Cody. It is because of that friendship and the feeling which I know to exist among the people of Wyoming that I was glad to report favorable action on the part of the House Committee on Irrigation and Reclamation in its unanimously reporting this measure favorably, which the committee did on February 21.

As a boy I never lost an opportunity to see Buffalo Bill, and I regarded his exhibitions and feats of showmanship as surpassing anything of similar character in the world at that time. Of course, I thrilled in reading his exploits by which he earned the title "Buffalo Bill," and I recognized the value of his services in helping to build railroads across the western country and thus bringing civilization in the wake of the iron horse. I have always contended that the sober truth regarding these great western characters was more thrilling than the dime-novel literature which has crowded our newsstands and book stalls for lo

these many years. Well, I am told that Buffalo Bill did more than astonish and startle the world by feats of marksmanship and horsemanship, and that he was a real builder in his chosen part of the West, that he had much to do in promoting irrigation and reclamation, and, from that standpoint, it was appropriate that his name should be attached to one of the great reclamation structures.

As to the propriety of names given to engineering structures, I do know that there is a difference of opinion. There are some who say that dams, roads, bridges, and the like, should be named after eminent engineers or public officials. Others say that geographic names or names with local meaning, but which are impersonal, should be used. For my own part, I think that depends upon circumstances, and I think it is well to apply the name of a great personage to a work to which his efforts have contributed to a major degree. I think always the attitude and feeling of the people in the community should be given first consideration. If I may judge from the evidence heard, it is the desire of Wyoming that this engineering work should be named after the great man who gave his name to the nearby city, and which community he did so much to bring to full development.

POSTAL SERVICE

Mr. BURCH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4652) to provide credit for past service to substitute employees of the postal service when appointed to regular positions; to extend annual and sick leave benefits to war service indefinite substitute employees; to fix the rate of compensation for temporary substitute rural carriers serving in the place of regular carriers in the armed forces; and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 22, after "promotions" insert: "Provided further, That upon appointment of a substitute employee to a regular position he shall not be placed in or promoted to a grade higher than the grade to which he would have progressed, including benefits authorized by section 23 of Public Law 134, approved July 6, 1945, had his original appointment been to a regular position of grade 1: And provided further, That employees shall not be allowed credit for service performed under temporary or war-service appointments except when such service is continuous to the date of appointment as a classified substitute or regular employee."

Page 2, after line 22, insert:

"Sec. 2. Employees who have been separated or shall hereafter be separated from the field service of the Post Office Department for military duty shall be given credit under the provisions of section 1 of this act for the periods or terms of substitute service immediately preceding their entry into military service and pro rata credit shall be given for the time engaged in military service. Employees who are reinstated to positions in the field service of the Post Office Department may be given credit for the periods or terms of continuous substitute and regular service immediately preceding their separation, but they shall not be placed in a grade higher than the grade to which they would have progressed in continuous service."

Page 2, line 23, strike out "2" and insert "3."
Page 3, line 4, strike out "3" and insert "4."
Page 3, line 11, strike out "4" and insert "5."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

HOUSING STABILIZATION

Mr. SABATH. Mr. Speaker, I call up House Resolution 530 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 day, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

[Mr. SABATH addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

EXTENSION OF REMARKS

Mr. MASON of Illinois asked and was given permission to extend his own remarks in the RECORD and include an editorial.

Mr. JOHNSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes on Thursday, February 28, following the legislative business of the day and special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HOUSING STABILIZATION

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, our chairman has stated in a general way what this is all about, and I think the speech he made should surely secure some housing for Chicago.

Mr. SABATH. How about Detroit?

Mr. MICHENER. An analysis of the Patman bill makes it clear that it contemplates three objectives.

Section 1 declares a policy of the Government to the end that adequate housing for our people may be available at the earliest possible moment. No fault can be found with this objective. There is a distressing shortage of housing in every State, city, and community throughout the country. Apparently this fact is recognized by all and, by the same token, the entire Congress is anxious to overcome this scarcity just as soon as it is practicably and humanly possible. At least that is the way I feel about it, and I am sure I speak for a vast majority of my constituents.

If we are all in favor of providing adequate housing, then it is just a question as to the best method to bring this about. Here is where the rub comes. Should the job be undertaken under minute Government regulations and controls affecting materials, prices, ceilings, construction work, and all the rest, or should the Government keep hands off, lift all ceilings, remove all controls, and attempt the policy of "Business as usual," so far as meeting the housing demands are concerned?

Naturally those who want to regiment and control all activities of the people feel that here is a good place to practice their philosophy. On the other hand, that group, which feels that all controls should be lifted, shouts that here is the place and now is the time to make a beginning.

My study and experience have taught me that neither of these groups should prevail. Only such controls and regulations should be continued as are absolutely necessary, and these for a limited period only. I am not yet convinced that subsidies are wise in this instance. Nevertheless, I am approaching the whole field with an open mind and believe that should be the attitude of all of us, until full explanations are made, cause shown, and adequate reasons given by the Banking and Currency Committee.

Subsection (a) of section 2 of the bill creates still another Government bureau, which will be headed by a Director, who will receive \$12,000 per annum. This Director is authorized to appoint such employees as he deems necessary to carry out the provisions of the bill. He is not limited at all as to the size of the bureau or the number of employees. He is given very unusual and extensive authority. He is made a virtual czar in the house-building field.

Beginning with subsection (b) of section 2, 14 pages of the bill are devoted to outlining specific powers, authority, and control to the Director who, it is fair to presume, will be Mr. Wilson Wyatt. Some may call him an expeditor but the Patman bill calls him the Director.

Mr. Speaker, I have read the last 14 pages of the bill very carefully and I think a lot of time and a lot of words have been wasted. In all this language there is not a single instance of a limitation being placed on the Director's power. In fact, an attempt is made to be sure and see to it that the Director has ample

and all-inclusive authority. The reading of these pages is conclusive proof of the fact that another bureau is to take hold, in determined fashion, of the building industry of the entire country; that is, the materials used in construction, the time and manner of use, the cost, the sale price, the profits, the losses, and all the rest. The whole building industry is to be made completely subservient to the discretion of the Director.

Now I think you all recognize that I believe in writing as short laws as possible, in as plain language as possible, and with as little doubt as to the meaning of the law as possible. So many words, sentences, paragraphs, and pages make for confusion and provide opportunity for misunderstanding the intent of the Congress. Therefore, this bill might be shortened up by having subsection (b) read as follows:

The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title, all laws of the land to the contrary notwithstanding.

I want to impress upon you that this Director is given dictatorial power just that broad. Do we want to do that? Will such surrender of power to any individual be good, wholesome legislation? I doubt it.

Mr. Speaker, I do not believe there is any opposition to this rule. I voted to bring the matter before the House where the Members may consider the Patman bill, which has committee approval, and make such changes as they feel desirable. I am advised that the gentleman from Michigan [Mr. Wolcott] the ranking minority member on the committee, will shortly discuss a substitute which he will offer on tomorrow for the Patman bill. That substitute will be printed in today's CONGRESSIONAL RECORD so that we may all read it before we must vote on it tomorrow. There has been some criticism because, as we are advised, the Banking and Currency Committee expects to offer an amendment to the bill providing \$600,000,000 as a preliminary subsidy, together with ceiling prices on old and new housing construction. May I say that the Rules Committee tried to ascertain the facts from the Banking and Currency Committee regarding such proposals. Indeed, I asked that if such amendments were to be offered they be printed in the CONGRESSIONAL RECORD last week so that the rest of us might not be taken by surprise and be unprepared to act intelligently on such amendments. As yet the committee has kept its own counsel and we do not know what committee amendments will be offered.

For my part, I am not going to vote for a bill containing surprise amendments that I do not understand and about the effect of which I am not advised. It seems but reasonable that the House should take this same position: If any new matter, on which no hearings have been held and about which adequate information is not available, is included in the bill, then it should be recommitted and sent back to the committee for proper hearings where all interested groups and individuals may be permitted to express their views. Building houses is not the vocation of Members of Congress. We are certainly laymen in that field and need all possible

information before making the blueprints which must be followed to get the houses.

I not that my time is exhausted and possibly I will be able to complete my remarks later in the discussion.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

(Mr. MICHENER asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I consider this bill H. R. 4761, one of the most important measures which will come before the Congress during the present session. In my opinion, it is a bill to which we should give careful study and attention, not alone for what is contained in this particular measure, but also for what is contained in the substitute which will be offered therefor, and because of what will be contained in various amendments that I understand will be offered by members of the Banking and Currency Committee to the original measure in behalf of the administration.

Everyone wants housing, not only for the veterans—and I think we all agree they are entitled to priority and preference—but for all good American citizens who need homes. Homes have been a growing need here in America for the past decade or more, and ever since V-E day our people have been promised by the administration that something would be done about the housing situation.

This bill, and the proposed amendments thereto, is seemingly the administration's solution to the pressing housing problem that confronts us. However, the administration, instead of doing first things first, instead of getting greater production of the building materials that are needed, instead of eliminating some of the bottlenecks that have existed as the result of the ineffectiveness of its operation of the Government, is coming here to the Congress with a suggested legislative program of piling another new bureaucratic agency, with great and broad dictatorial powers, on top of all of the other existing bureaucratic agencies, which already have and exercise the same dictatorial powers—some of them for many, many months and years past—and yet have completely and miserably failed to solve the housing problem.

It is a very fundamental question we have before us today—whether the addition of this proposed new bureaucratic agency to the already top-heavy structure of Federal Government will in any way actually bring relief to those we desire to help? If we enact this legislation as presented, we are again granting dictatorial powers to one individual—not to the President of the United States, who has the responsibility under the Constitution, or to any other elective official responsible to the people, to administer our laws, but, rather, to an agent of the Congress, a new individual official, an expeditor or administrator,

or whatever they call him, who will have all the power in the world to do almost anything he wants or desires to do as far as housing is concerned. It is a grave question whether we want to give to any individual the great, broad, and dictatorial powers contained in this bill; or whether that responsibility should be placed, if it is necessary at all—and I seriously question that it is—in the hands of the President of the United States or some other constitutional officer responsible to the people.

We talk a great deal, as we go about the country or see our constituents, as to how we are against bureaucratic control of government, how we are against waste and extravagance, and the creation of new jobs, and yet here we are discussing again the creation of a new governmental agency, and the granting of new dictatorial powers, and, on top of it all, through amendment, the voting of some \$600,000,000 as a subsidy instead of following the ordinary and honest method of permitting price ceilings to be realistic, and thus making it possible for private industry to furnish the building materials and the homes we need.

Can anyone wonder why we have shortages of building materials? Why, for months now, house flooring—finished tongue-and-groove flooring—has been selling at a lower ceiling price, as fixed by OPA, than the ceiling price on the rough lumber from which such flooring is manufactured. The same situation has existed in house siding. Yet we stand around and wonder why we do not have flooring with which to build needed homes; why we do not have siding to cover the walls of such homes and to keep out the weather. The same thing is true all along the line. It is both an example and result of ineffective administration. The other day I talked to Civilian Production Administration officials who told me it is practically impossible to find or purchase almost anything in the nature of wood-working machinery. Why? Simply because the price ceilings fixed by OPA on woodworking machinery have been so low that no one is manufacturing much of it. Go out and try to buy machinery or equipment to make cement blocks, so essential to the construction of homes. It is almost impossible to find such machinery. Only a few companies are making it. There is a great backlog of orders—and back orders are not production machines and do not help to solve the housing problem.

Legislation alone will not build a single home. What builds homes are workmen and available materials, and we better look at this thing realistically.

I want to suggest to all of you—because it is of the utmost importance—that we scan this legislation carefully; that we study every amendment presented to this measure; and thoughtfully listen to the debate, because by what we do here we will probably fix the future of America, and decide the kind of a country we are to live in for many years to come.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. Does the gentleman believe this bill will result in the erection of even one new home?

Mr. BROWN of Ohio. I do not know, but I am certain of one thing: It will not result in any increase in construction of homes unless many other things are done or changed first.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I think all of us have fervently hoped ever since VJ-day that we had reached the point where we would begin to do away with bureaucratic control over the lives and the businesses of our private citizens. I regret the necessity, if there is a necessity, of here setting up another bureau that will exercise those functions which we thought when we were passing laws were to be exercised only in the wartime emergency when the guns were being fired.

I do not know whether this bill ought to be enacted or not, but I do want to say to the House that I think we ought to consider very carefully before we vote for it. In the first place, the Committee on Banking and Currency came before our committee, the Committee on Rules, with this bill, and it developed at the first hearing that while this was what was offered for a rule it was in contemplation that there would be an executive meeting of the committee, when some other things would be brought out, and apparently the committee could not give us assurance as to what they would contain. I understood there would be an amendment to fix prices on existing housing, that there would probably be something about a large subsidy to be granted to people for building houses. I know the Committee on Banking and Currency are trying to deal with a situation that they think needs to be dealt with; but you can pass all the laws you choose, you can put all the restrictions on human beings you choose, but you cannot build a house without some planks and some nails. That is exactly what we need. What we need is production of building materials.

This thing of writing a lot of words in a bill and saying an American citizen cannot do this or he cannot do that or cannot do the other just is not going to build you a house. I feel that these restrictions are not only not going to add any houses but they are going to keep people from building houses. I have been more or less of a jack-leg businessman all my life. If I wanted to build a house—and I have built some—today, and I looked at this bill and saw that after I got done building that house I could not sell it to anybody, I could not rent it to anybody, and I could not do anything with it until I came here to Washington and got the consent of some bureaucrat who might have been a soda water jerker before he began pricing houses, I just would not build a house. Frankly, I would not build a house under this bill if it is passed. Lots of people may not agree with me. Other builders may build their houses, I will

not say they will not. I can only give you my own reaction to this proposition.

Let us take the provisions of this bill about what the director may do. The director is authorized to require any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy any housing accommodations to furnish information under oath, to make him keep records and make reports, and do this and do that and do the other.

All right; we have the OPA and in the OPA they have a rent control, and you cannot rent anything today unless you have the authority of the OPA. Now they are going to set up another OPA under this bill under a different agency, and that OPA is going to compete with the existing OPA in requiring you to file answers to questions for information on fixing rents, and so forth. I do not know why the committee wants that in the bill. Here is another thing I believe we ought to think about. I hope I will not be considered as making too much of an assault on this bill because I realize the dangers of inflation. I want to see something done about it, but I do not want to do something that is going to do more harm than good. Consider the existing real estate situation. Inflation in existing real estate, housing, and buildings is getting out of hand. I realize this. I see it every day in my home city. I do not know what the answer is.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield three additional minutes to the gentleman.

Mr. SMITH of Virginia. I do not know what the answer is. I do not believe this bill is the answer. I am afraid I do not so believe. Although I believe I would come nearer to voting for the proposed amendment to fix the first sale of existing real estate as the maximum price than I would to vote for this thing about new houses.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. BARRY. May I point out the situation to the gentleman with reference to the returning millions of soldiers? There is a greater housing shortage now so far as they are concerned than there was during the war, that is, under the free market as we have it at the present time.

Mr. SMITH of Virginia. I know what the gentleman is talking about. I know there is a housing shortage. Everybody knows that. The question is, What is the answer?

Mr. BARRY. But is it not true that in the free market we have at the present time the prices of the houses are way out of line to the great majority of returning veterans, that is, regarding both new and old houses?

Mr. SMITH of Virginia. I believe the prices that are being charged returning veterans for real estate in the present markets is a crime which is being perpetrated on them. Returning veterans are now paying from 33⅓ to 50 percent more than the property is worth.

Mr. PATRICK. Mr. Speaker, if the gentleman will yield for a question at this point, may I ask him, Does not this bill provide that the initial sale of the real estate will assess the top valuation at which the property can be sold?

Mr. SMITH of Virginia. No.

Mr. PATRICK. Is not that the way this bill sets that up?

Mr. BARRY. No; that is not in this bill.

Mr. SMITH of Virginia. No. After the property has once been sold, that is, new property, then that is the ceiling price, but the new OPA is going to fix the ceiling price before you can sell the property. My theory is that any builder who has any responsibility or who is risking anything of his own, is not going to take a chance to build houses to sell when he knows he cannot sell them until the OPA tells him what the price is going to be.

You have in this bill this further feature which I am afraid of. This fixes the price, not only on houses to be built hereafter, but on houses now under construction. Suppose a man is building 50 houses and they are in a stage of construction between the roof and the cellar as of today. Suppose tomorrow we passed this bill. He cannot turn a wheel on selling those houses which he has already put his money into when we come along and pass this ex post facto law and proceed to fix the price that he can sell the property for, on a proposition where the builder has already committed himself and has obligated himself before this bill has been passed. Now, I say what I have said with apologies because I realize the dangers that these gentlemen are trying to avert, and it is a real danger. I do believe we ought to examine this thing very carefully before we go this far.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Speaker, the bill before you does not give the administration any more power than it already has except that the bill enables the administration to put price ceilings on houses. As most of you already know from reliable people in your own community and from everybody in the housing industry who can manage to wire or get down here, price ceilings are going to discourage the building of houses. The building industry is literally up in arms against the communistic Patman-Wyatt housing program of which this bill is a part and the rest of which will probably be put on either by amendments or otherwise unless you, the Congress, resist it.

There is plenty of reason to suspect that the main people pushing this program are doing so in an effort to perpetuate and extend over the housing industry and home owners and home seekers the communistic OPA wartime controls. Also it is motivated, I suspect, by these political favorites, including the CIO, and such people as Kaiser, who see in this Wyatt-Patman housing program a chance for a bonanza, to go into the business of mass production of houses made out of aluminum and other weird

materials. The favorites will have the assistance of all the precious money the veterans have been able to save with which to buy them, and Government assistance in the way of subsidies, free Government factories, free distribution, and even free markets. You begin to see what is behind all this fanfare about a housing program when you talk personally with the producers of strategic materials, materials without which you cannot build houses.

For months past, at the very time that Mr. Bowles and other officials were before the Senate and House committees pushing up this matter, trying to generate enthusiasm for some such program as the Wyatt-Patman housing program, the OPA was deliberately and maliciously preventing the production of houses through preventing the production of the very strategic materials which you must have to build houses. Lumber, brick, tile, clay products, soil pipe, windows, et cetera, et cetera. These producers were absolutely denied and delayed the necessary increases sufficient to cover their increased cost and increased wages, much less profits, until many of them were completely and absolutely driven out of business.

Mr. SABATH. Mr. Speaker, will the gentlewoman yield?

Miss SUMNER of Illinois. No, not now. Later, if you please.

Read the press releases and the hearings on the bill, and see how artful the officials have been in trying to sell the committee on a continuation of OPA controls and the extension of price ceilings as a means of getting houses built. They have tried to instill into your minds the idea that unless private industry can do the job, then the Government will have to step in and do it, or at least subsidize it. All the time they were the ones who were preventing private industry doing the job. They keep holding before your eyes the possibility that we could get mass production of houses in no time, made of aluminum, if only the Government would pay the expense of it.

It is downright wrong. It is wrong for politicians and Government officials to use their powers thus to force veterans to buy these glorified garbage cans to live in. Veterans want and deserve the right to have the good kind of houses that other people live in and which the OPA is preventing them getting. But the communistic Patman-Wyatt housing program which they are going to use every effort to put over on you will enable these political profiteers to get free factories, billions of dollars in subsidies ranging it is said from \$600,000,000—you will have to pay \$4,000,000,000 at least before you are finished with it—free markets, guaranteed price control on existing industry, guaranteed insurance for what they want to do in the way of experiment.

Mr. SABATH. Mr. Speaker, will the gentlewoman yield?

Miss SUMNER of Illinois. Not now.

The bureaucrats assure you, and OPA assures you, and Bowles assured us that they are and have been doing everything in their power to release every restriction on housing construction; but OPA

still sits on its policy that prevents reconversion, as stubbornly as a hen trying to hatch a glass egg. The only OPA restriction they have lifted as far as I know is Bottleneck Bowles. He is lifted up to be the Economic Stabilizer, but OPA is still the economic "staller."

Theoretically, price control should be useful as a brake to slow down inflationary price increases; instead it is used to break the industry that would produce the production that would cure the inflation in price. The big red letters OPA mean only Opposition to Producing Anything. OPA discourages production in everything except inflationary subsidies, shortages, exorbitant black market prices, and dishonesty. Industry loathes and dreads subsidies; and, as the gentleman from Nebraska [Mr. BUFFETT] has pointed out, they did not get an hour of chance before the committee to protest against subsidies. Men in the housing industry know that if OPA can maneuver them into a position where they will have subsidies, subsidies will mean all the difference between a profit and bankruptcy, and they will be completely enslaved by Government, as businessmen in Nazi Germany were enslaved.

Because of its price control provisions this bill is certain to discourage housing. OPA has no right to claim any credit whatever for the building of 50,000 airplanes during the war. Mr. Patterson, of the War Department, successfully resisted the vigorous effort of OPA to move in on war production and put its clammy hands on the throat of war production. Instead, thanks to the admirable efforts of the War Department's Mr. Patterson, industry was given whatever money it asked to do the job limited only by renegotiation of contracts and the excess-profits taxes. The experience with airplanes shows that if you will only give industry a fighting chance they will give you the volume of houses you want and at a decreasing cost. After the first period in which prices go up you can get plenty of housing at decreasing cost if only you have the courage and stand up and defeat the Patman-Wyatt housing program.

The SPEAKER pro tempore. The time of the gentlewoman from Illinois has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Speaker, sharp condemnation has been voiced by Albert J. Fitzgerald, general president of the United Electrical, Radio, and Machine Workers of America, UER-MIO, of C. E. Wilson, president of the General Electric Co., "for giving misinformation concerning wages paid General Electric employees to President Truman and the public yesterday in an effort to force a change in the administration's present price policy."

Mr. Fitzgerald stated that the General Electric president recently "presented inaccurate information concerning wages paid 200,000 electrical workers now on strike against GE, Westinghouse, and General Motors, electrical division, for \$2-a-day wage increases."

Contrary to Mr. Wilson's statements—

Mr. Fitzgerald stated—

GE employees, for example, have already lost since VJ-day the greater part of the 15½-cent wage increase received during the past 7 years, while the cost of living, by the most conservative estimate, has increased 33 percent.

RCA, Ford, and Chrysler corporations have given substantial wage increases to their employees under the present price policy of the national administration—

Mr. Fitzgerald said.

The three corporations against whom UECIO workers are on strike must do the same. General Electric, Westinghouse, General Motors, by virtue of their vast profits and tremendous reserves, are better able to grant the wage demands of their employees than even RCA, Ford, or Chrysler.

The only reason why these companies refuse to reach a settlement with their employees under the administration's wage policy—

The union head stated—

Is because they know that profits made in the current year will clearly show that a further price increase for refrigerators, washing machines, radios, and other electrical appliances is completely unwarranted.

General Electric and Westinghouse have a combined wartime profit of \$424,000,000, with reserves at a current figure of \$392,000,000—

Mr. Fitzgerald said.

These companies can easily afford to meet the union's wage demand under the administration's present price policy.

GE, Westinghouse, and GM employees are on strike because they cannot live on the wages paid them by these immensely wealthy companies. The only means of settling the current strike is by paying a living wage, bargaining in good faith, and abiding by Government provisions regulating price levels.

(Mr. KELLEY of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. RIZLEY].

(Mr. RIZLEY asked and was given permission to revise and extend his remarks.)

Mr. RIZLEY. Mr. Speaker, some of us who sometimes listen to Fred Allen's program will remember that the Senator who immediately preceded Senator Claghorn always had the answer to every public question of the day when Fred propounded it. His answer was, "I have introduced a bill."

Mr. Speaker, all of us realize the acute situation which exists with reference to housing, and I commend the committee for trying to do something, but, as has been suggested here, you are not going to build houses by legislation. It requires brick and mortar, lumber and nails. We have plenty of builders, plenty of carpenters, plenty of everything except building materials, and if the committee can convince me that by setting up a new agency we can get building materials, certainly I will support the bill.

Mr. Speaker, I take this time to talk about another racket. The House has passed a bill which is smoldering over in the Judiciary Committee of the other body, the so-called Hobbs bill, and while that bill still smolders over there this teamster racketeering still goes on. Up in Connecticut last week by force and violence they closed two dairies.

I will not have time to read a very good article which appeared in the March issue of the Farm Journal, but I recommend it to your reading and I hope that if you have any influence over on the other side of the Capitol you will try to get the Hobbs bill out of that committee, get it passed, so that we can stop this racketeering.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman is a very smart lawyer, a man in whom I have great confidence. Has he seen anything in this bill now before us which convinces him it will bring forth more building materials?

Mr. RIZLEY. Not a thing on earth. Everyone who pretends to know anything about the building difficulties, everyone who has anything to do with building materials anywhere, practically everyone who has testified about the subject states that materials is the bottleneck.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from New York.

Mr. BARRY. I want to remind the gentleman that before the war, when there was a lull in building and a great shortage, we stimulated building by passing the FHA Act, and hundreds of thousands of home were built as a result of it. During the war we also stimulated building in the emergency through the National Housing Act. Is that consistent with the gentleman's present statement?

Mr. RIZLEY. The trouble about that is that we have reached a place where the lack of finances, as was the case when FHA was thought necessary, no longer exists. Mass construction as we had under national housing is no longer possible; we do not have the materials. OPA bottlenecks are preventing production and now you want to set up another agency.

Under leave granted to revise and extend my remarks, I desire to call attention to an article appearing in the Farm Journal, March edition, page 132. The article speaks for itself.

Notwithstanding the situation described in this article, the Hobbs anti-racketeering bill, which has been passed by the House on two different occasions, still sleeps, so I am advised, in the Senate Judiciary Committee, and the racketeering continues.

The article follows:

Does the teamsters' union own the milk business and the public highway as well?

Farmers and everyone else around New Canaan, Conn., have been asking this question since a crowd of teamsters' union pickets invaded their countryside, beat up a young war veteran, overturned another man's car, slashed the tires on one woman's car, terrified several other women, and caused the permanent closing down of two locally owned dairies.

Because most farm products have to be trucked, at one point or another, agriculture has had trouble with the teamsters before. The situation is disturbing.

The experience of both dairies, Norman Bros. Dairy and Miller Bros., was pretty much

the same. Let's see what happened at the Miller plant.

These brothers sold high-butter-fat Jersey and Guernsey milk to special customers. The Millers were satisfied with their little business, and so were their patrons.

Then along came Teamsters Local 338. First it "organized" the Millers' eight drivers. Then it produced the standard metropolitan contract, and told the brothers to sign. There was no negotiating. It was just "take this and like it."

The brothers didn't like it. It would have prevented them from working in their own dairy (although the union decided later to allow them to do this). And, as they figured it, it would have forced up the pay roll more than 50 percent. So they didn't take it.

The union started picketing the little plant to keep the milk from getting out. But customers came to the plant. That was what made local 338 decide to take over the public highway.

One morning the Millers looked out of their window and saw 200 hard-faced men marching shoulder to shoulder in front of the plant.

A dairy supply salesman, who was absolutely no party to the dispute, tried to drive in on his own business. He and his car were turned over on the side of the road.

Customers who came to make their daily purchases were told to "keep moving." One woman refused to be cowed, because she wanted milk for her child. She got into the plant, but three of her tires were slashed.

Without a by your leave, the pickets took over a neighbor's field, built a bonfire on it, and used the field for other purposes as well. When the woman of the house came out to protest, they jeered and booed her.

Other tires were spiked with ice picks. Innocent citizens, men and women, were booed and threatened, until State troopers arrived. But the troopers left the pickets where they were.

The whole thing ended when the Millers decided to close up. It was a union "victory" and a dead business.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield one-half of the remaining time on this side to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, perhaps no district in the country has a more acute housing shortage than the one which I have the honor to represent. The proof of the pudding, however, is in its eating. I favor every realistic effort to provide homes for our returning veterans.

Yesterday, from Pontiac, Mich., I received a telephone call from Paul Kern, president of the real estate board of that city and a veterans' appraiser. A firm from Bay City, Mich., went down to Pontiac and built two prefabricated houses in order to determine whether or not it was possible to build houses fit to live in under the \$6,000 ceiling. Here are the figures of cost, and I think you will be interested in them.

The houses cost without basement and without the lot, \$6,444.99. If the cost of the basement is added the cost of the house is \$7,343.81. And the cost of the lot must be added to that figure. It is contended that a house fit to live in cannot be built for \$6,000.

In the report on this bill which the committee made I find the following

language, which is rather disturbing to me, is found on page 5 of the report:

The committee did not include any limitations as to the maximum cost of new housing accommodations, but it is hoped that a substantial portion of the available materials and facilities will be allocated for homes selling for \$6,000 or less. Private enterprise must assume the leading role in this task.

They state that private enterprise must assume the leading role in this task. Private enterprise has already tried to build houses in my district within the limitations suggested, and find it cannot be done, much less provide a basement or the cost of the lot on which to build such houses. All admit scarcity of building material is the bottleneck in the production of homes. Release control under OPA or increase the price will aid production without paying enormous subsidies.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

(Mr. DONDERO asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. SMITH].

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Speaker, we ought to go pretty carefully in our deliberations on this measure. I want to quote from section 703 of the Patman bill, H. R. 4761:

The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary, or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title.

I placed the following construction upon that language:

It would give power to the housing czar to go into the books and files of every person, firm, or corporation engaged in the production, distribution, sale, or handling in any manner of any article that goes into the construction of a home, including land and improvements.

I then asked Mr. Carl McGowan, associate general counsel, Office of War Mobilization, whether my interpretation of this language was correct, and he replied that it was.

The housing czar has the power of subpoena under this bill, so you can see what this would mean if it went through. This is a dictator bill, and was intended to be such. You recall that just a short time ago the country was shocked at the attempt the President made to force General Motors to open its books to his fact-finding committee. This would make legal that which shocked the Nation.

[Mr. SABATH addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and I also ask unanimous consent to revise and extend the remarks which I expect to make in Committee of

the Whole House this afternoon and include certain tables, statements, editorials, and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HIGH-PRESSURE LOBBYING

Mr. PATMAN. Mr. Speaker, the gentlewoman from Illinois made the statement that industry did not have an opportunity to be heard on this bill; that the opposition did not have the privilege of being heard. I want to correct that statement. Chairman Spence, of the Committee on Banking and Currency heard every person and gave every person permission to testify who asked for that privilege. Everyone, not nearly all of them, but all of them, had the opportunity.

The Members, no doubt, received a copy of this little propaganda sheet. The title of it is "Headlines." It was gotten out by the National Association of Real Estate Boards. It is a message to all realtors. It says:

Action is needed. By the time you read this, your Congressman may be voting. There is no time to lose. The situation is critical.

It refers to this bill, which is President Truman's plan, the plan of the President of the United States, to build homes for returning war veterans. It is President Truman's plan. This circular states further:

That program has never had a public hearing. It has been railroaded onto the floor of the House in a way seldom seen in Washington. Industry and private citizens have never had a chance to testify on it or to submit facts about the effect it will have. They should have that chance. If they are denied that right, then the bill should be killed. Voting on the bill has been deliberately shoved ahead several days so that the amendments could be railroaded through.

That is a sample of the greedy, vicious propaganda that is in circulation, and that is being used in order to deny war veterans an opportunity to obtain decent housing after being gone 3 or 4 years from the United States.

What are the facts? I have a copy of the printed hearings. You may secure a copy if you will ask a page to bring you one. After hearing Mr. Bowles and Mr. Snyder and Mr. Blandford, who was at that time head of the National Housing Agency, the fourth witness was a witness representing the building trades, representing, if you please, the National Association of Real Estate Boards, the very organization that got out this statement signed by Herb Nelson. On page 101 of the hearings you will find the testimony of the chairman of this Real Estate Board's committee, and Herbert Nelson was sitting by his side during his testimony and assisting him. The very man who is circulating this misleading and false propaganda. Turn to the testimony and see for yourself. It consumed an entire day. He was asked questions by a number of Members. He assumed a very patriotic attitude toward veterans of the war. "Yes; we want to give them preference; we will even put out people who are not in the service and put veterans in if you will write the bill that way." But under questioning he wanted

all rent controls removed before he would do that; in other words, he was willing to be patriotic and to put other people out and put veterans in if he could double the rent on the veterans who went in. That is how patriotic they were. They wanted all controls, prices, and rents taken off.

During the 17 years I have had the honor of serving in this body I have never known so much false, misleading, deceitful, and greedy propaganda as has been put out against this bill. All in the world this bill does is give the returning veterans for 2 years an opportunity to acquire homes in a market where the homes are already filled. During the war for 4 years every war worker had an opportunity to buy a home at a reasonable price or rent one for a reasonable rental. Who gave them that opportunity? The Congress of the United States. We voted for it. We took care of the war workers. It was our duty to do it. Now returning veterans are coming back. They were not here to seek homes, they had no such opportunity during the 4 years of the war, and they are asking in this bill that we give them the same opportunity, not for 4 years but for 2 years only, to seek homes. Our Republican friends are trying to reduce that time to approximately 1 year.

Yes, materials are scarce. We do not have enough materials. We need more production. But the materials we have that can be used for residential housing units should be used for that purpose and not for the purpose of building roadhouses, honky-tonks, domino halls, bowling alleys, and amusement places. Let us channel these materials into the building of the greatest number of residential units for veterans of World War II.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it has been said that we should consider this bill with care and deep concern. I agree. We all know, and I come with no statistics, that there is an acute housing shortage. It came about because for 4 years we were the arsenal of democracy. Instead of manufacturing and building things that our people needed, such as consumers' goods

and houses, we were building ships and tanks and guns and planes to preserve not only our liberty but the liberty of liberty-loving peoples all over the world. Not only did we do that during the war, but even before we went into the war through lend-lease we kept our allies supplied with material. As a result, victory came to our arms. There is a shortage in housing, but the shortage came about through no fault of the administration. It resulted from the fact that we led the world in the defense of liberty. Everybody knows that. Now, what are we going to do? We must take some action to produce houses for our people. There are some who complain of bureaucracy. There is no self-executing law. Call it what you may, we must have people to execute the laws. Otherwise, they would not be executed. Out of that, it is true, grows bureaucracy. Men complain because they are restrained in their liberties. They complain that they are controlled and regimented. It is true that to a certain extent that happens. But the liberties of our people must bend a little for the common good. Everybody knows that during the war we were subjected to restraints which were beneficial for us in the long run and in which we were willing to acquiesce because of the ultimate good to be gained. That is what is happening in this case. We must subject ourselves to some of these impositions in order that those who are unable to protect themselves may have a little more liberty and more opportunity to enjoy themselves and that they may have the homes which they so desperately desire.

Now, what will happen if we have no regimentation, if we have no restrictions of this kind? There is a shortage of building material. There is no doubt about that. Everybody knows it. Where is that building material going unless there is allocation and priorities? It is going to the field which will produce the greatest profit. It is going to the amusement field. They will build theaters, bowling alleys, roadhouses, night clubs, and other things where the profits will be greater. There is no profit in a home. Therefore, unless we do allocate this material to those who need it for home building, it will not go there. That seems to me to be a simple problem. And unless we do it, a catastrophe is going to come to the American people that is indescribable. It is not only the homes we want, but the home is necessary for the job. A man cannot hold a position unless he has a home in which to live. Not only is that true, but the home is the very basis of our liberties, the very basis of the strength of America. When we give people homes, we not only give them shelter but we give them a greater interest in the community. We give them greater interest in their Government. A man who can put his foot on the land and say, "This belongs to me," feels a dignity that other men may not feel. The home has a tradition in the laws. Justice Coke long ago said:

A man's house is his castle. It may be built of rough boards, roofed with thatch, the winds may blow through it and the rains may enter it, but the king cannot.

The home still has that dignity in America. It is the patriotic and humanitarian duty on the part of Congress to try to furnish homes to the returning veterans. They have had no opportunity to provide themselves with homes. Ten million of our men and women have been away from their homes, and when they return this shortage is going to become greater and greater.

Is this bill necessary? No one has suggested anything superior to it. If we do not pass legislation such as this, we will pass no legislation. If we do not pass any legislation, there is no doubt about the result.

The ceiling that Mr. Wyatt wanted on existing homes was not an arbitrary ceiling, fixed by the Administrator. I would not be in favor of that. I think that would be a delegation of power that would be entirely unconstitutional. I think it would be taking a man's property without due process of law. That is not the ceiling he wanted put on existing homes. He wanted to put a ceiling on the existing home that would prevent a spiral of inflation. He wanted a man who owned a home to put that ceiling on it in the open market, the highest price he could get would be the price that would be fixed upon that house.

I remember after the last war how men gambled in homes as they gambled on the stock market. I know men in my own community who started to build homes for themselves, and before they completed them they were offered prices that they could not refuse to take, and they sold the homes that were built for themselves.

The greatest possession of the people of America is their homes. There are 28,000,000 of them now. We did not want gambling to start on those homes. If you do not want the spiral of inflation, what other remedy have you? What can you suggest? To put a ceiling on existing homes is certainly a reasonable thing unless you want those homes to share in the spiral of inflation, where the people who really need them will never get them. Under the bill ceilings are at the discretion of the Administrator. I think there must be reasonable ceilings. It is not necessary to expend the same amount of money to build a habitable home in Mississippi that it would be in northern New York or in Montana or in some of the northern sections of our country. Necessarily it would cost more to protect against the rigors of the climate, to build in the northern sections than in the southern. That discretion is given to Mr. Wyatt. You have to give it to somebody. Is it arbitrary and dictatorial? Well, if it is, it is necessary.

You must remember there is a great emergency confronting our people, an emergency that is as great now as it was during the war. To meet those emergent conditions we must have emergency measures. This is an emergency measure.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield for a question?

Mr. SPENCE. I yield.

Mr. JOHNSON of California. Are substantially all of the materials that

go into a house; the lumber, cement, bricks, hardware, subject to ceilings now?

Mr. SPENCE. Yes; I believe they are, but they are not subject to allocations.

Mr. JOHNSON of California. Did the gentleman's committee go into the question of whether or not those ceilings are too low or too high? We hear it said they are so low they retard production.

Mr. SPENCE. Answering the gentleman's question I may say that those are entirely administrative functions. You have got to give discretion to someone to administer the law. These are purely administrative features of the law. The committee cannot go into every minutiae of detail.

Mr. JOHNSON of California. I grant all that, but I want to find out whether those ceilings are so low that they retard production.

Mr. SPENCE. I believe in some cases probably the ceilings may be too high, in some cases too low.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself five additional minutes.

If you make the ceilings too high it means that those who ought to obtain the homes probably will not; if you make them too low you will not get the production that is required.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BROWN of Georgia. Under the President's Executive order, which was based on the Second War Powers Act, they are allocating now 50 percent of the physical building materials to soldiers. Is that right?

Mr. SPENCE. Yes; I believe it is 50 percent.

Mr. BROWN of Georgia. They can continue to do that under the Executive order based on title 3 of the Second War Powers Act. Is that right?

Mr. SPENCE. Yes; as I understand, that is what they are doing; and it was necessary. It will, of course, be advisable to divert some of this material to necessary industrial construction for the purpose of converting our industry to peacetime production, but the great part of it will have to go to home building if we are going to house the men and women who are coming home.

This is not only a housing problem but also it means a lot to the stability of our institutions. It is not only a question of the stability of housing but also of our institutions, one of the greatest of which is the American home. I believe we have got to see that this material is put into the channels where it will go into home building.

I believe some amendments will be offered to the bill. The committee has approved no amendments and has reported none. The bill was reported before Mr. Wyatt's plan was formulated and approved by the President. The provisions of the bill he wants. There are other things he believes he should have in order to make it effective. I am willing to trust him. I do not like arbitrary power any more than you do, but you have got to place it somewhere if you are going to carry out these policies

that mean much to the American people.

Mr. Wyatt is not a man who would go into this thing without the deepest consideration. His past experience indicates that he is a man of capacity and judgment. He was a lawyer. He stood at the top of his profession. He became mayor of Louisville and was a good mayor of Louisville. Because of his past experience and because of the fact that he did administer that office with conspicuous ability the President selected him as Administrator of this great trust which is now reposed in him.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Iowa.

Mr. JENSEN. Does Mr. Wyatt know anything about the building industry? Has he ever had any experience in building homes?

Mr. SPENCE. I do not know.

Mr. JENSEN. It takes one with experience more than an attorney to build houses.

Mr. SPENCE. I do not think so. I do not think a man should have to be a practical builder to administer the broad duties of this bill.

Mr. JENSEN. Does not the gentleman think it would help?

Mr. SPENCE. No. I would want to know what his judgment and what his character and what his capacity to administer were and what has been his experience in governmental affairs. He might be a most excellent builder, and he may have no capacity to administer this bill. I do not think this is a builder's bill. It is a bill that is so broad that a man ought to have a conception of the general purpose of the plans of the bill and I think Mr. Wyatt has that capacity.

Mr. JENSEN. According to the gentleman's idea, then, it would be all right to have a lumberjack operate on him, for instance?

Mr. SPENCE. I do not think that is a fair conclusion at all.

Mr. JENSEN. Why, it certainly is.

Mr. SPENCE. That is not a fair conclusion.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Arkansas.

Mr. HARRIS. We all realize that the big trouble is the shortage of building material. Is there anything in this bill that will encourage or induce an increase in the production of building material?

Mr. SPENCE. Mr. Wyatt wants the authorization to use premiums subsidies; that is, where there are high-cost producers in building materials, instead of raising the price line, he wants to encourage all to get into production by premium subsidies.

Mr. HARRIS. Is there anything in the bill that will authorize the bringing in of subsidies?

Mr. SPENCE. No; not in the bill as it is. It may be introduced as an amendment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself two additional minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. What provision is there in the bill that would give the returning veterans a priority in the building of houses?

Mr. SPENCE. It gives the returning veteran a preference.

Mrs. ROGERS of Massachusetts. Is it a preference or a priority? It seems to me preference means very little, while priority is a very definite thing.

Mr. SPENCE. It would give him a preference in the bill and the administrator can give him a priority.

Mrs. ROGERS of Massachusetts. I have a bill which would provide for the sale of surplus Federal housing units to veterans. In that I found it necessary to use the word "priority" in order to insure that they would get a priority.

Mr. SPENCE. We have given them preference.

Mrs. ROGERS of Massachusetts. Would the gentleman be willing to change the word to "priority"?

Mr. SPENCE. I have no authority to change the bill.

Mrs. ROGERS of Massachusetts. I am going to offer an amendment to that effect.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. VOORHIS of California. Are there powers in the bill that will prevent the building of nonessential structures at the present time in order to make it possible for those materials to be devoted to the building of houses?

Mr. SPENCE. Yes. The building materials will be under allocation and priority. The Administrator can channel these materials into the construction of buildings he thinks most essential to the American people.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I would like to have the distinguished chairman of the Committee on Banking and Currency make clear to the Members the following point: Someone over here has asked if the present bill before us carries subsidy payments, and I think the gentleman has replied that it does not.

Mr. SPENCE. It does not.

Mr. CRAWFORD. I believe the gentleman also stated that Mr. Wyatt would like to have the Congress approve subsidy premium payments in order to facilitate the production of these units?

Mr. SPENCE. That is the plan.

Mr. CRAWFORD. Is it not a fact that this bill was reported by our committee in the form now before this committee at noontime prior to the release of the Wyatt program by the President that evening?

Mr. SPENCE. I do not remember if it was the same day or not. It was reported prior to the release of the Wyatt program, yes.

Under leave to extend my remarks and include therein a letter from Hon. Wilson Wyatt, it is herewith inserted:

OFFICE OF WAR MOBILIZATION
AND RECONVERSION,

Washington, D. C., February 26, 1946.

HON. BRENT SPENCE,

Chairman, House Banking and Currency
Committee, Old House Office Building,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I am advised that H. R. 4761, the housing bill which has heretofore been reported by your committee, will be up for consideration on the floor of the House today and tomorrow. Because of the primary responsibility which rests upon me for the speedy and successful execution of the veterans' emergency housing program, the disposition to be made of this bill by the House of Representatives is of the greatest interest and concern to me.

I do not need to urge upon you the seriousness of the present housing crisis. I have made my feelings in that regard plain in connection with the announcement of the veterans' emergency housing program. I do want to point out that the fate of that program is inextricably interwoven with the fate of the legislative measures which are required to put it into effect. H. R. 4761 covers a vitally important segment of the necessary legislation. I should be greatly obliged if you would communicate to your colleagues in the Congress my earnest hope that this bill, with the revisions and additions discussed below, will be passed.

To make the final bill as useful a measure as it should be in carrying out the veterans' emergency housing program, it is of the highest importance that five changes be made in the bill as reported by your committee. I shall discuss them below in the order in which I understand they will arise during the reading of the bill for amendment.

1. Extension of the life of the act by six months: H. R. 4761, as originally introduced, provided for its expiration on December 31, 1947, or upon such earlier date as might be specified in a concurrent resolution of the Congress. The bill as reported by the committee has reduced this possible life by 6 months, namely, to June 30, 1947. Inasmuch as the veterans' emergency housing program has been worked out on a 2-year basis—the minimum period in which it is felt that effective action can be taken to alleviate the present housing crisis—it is important that this later date be restored.

2. Housing Expediter: H. R. 4761, as reported by the committee, sets up a new Office of Housing Stabilization, to be headed by a Director of Housing Stabilization. An amendment will be offered substituting for this provision the Office of Housing Expediter, with power in the President to designate an existing official to such office. As between these two alternatives, it is felt that it is better to write into statutory law the present office of Housing Expediter, including the power with which he has heretofore been vested by the President and the Director of the Office of War Mobilization and Reconversion. The procedure proposed by the amendment is preferable to that contained in the bill as reported, for the reason that it is confusing from an administrative standpoint to have a third office created.

3. Price ceilings on existing homes and building lots: H. R. 4761, as originally introduced, contained certain provisions directed against speculative dealings in existing homes during the emergency period. The plan provided was that, in those areas where the sales prices of existing homes threaten to get completely out of hand, there could be imposed a system whereby the next sale after the passage of the act would set the limit (subject, of course, to such revisions upward as might be justified by improve-

ments or structural changes over and above ordinary repair and maintenance) beyond which no subsequent sale during the emergency period could be made. It has become increasingly apparent that land sites suitable for the construction of houses are becoming subject to the same abuses and that a similar system should be applied to them.

This antispeculative provision was eliminated by the committee. Its restoration, with the inclusion of building sites, is essential if grave injustices are not to be done with respect to the abilities of veterans to purchase homes and building sites at fair prices. The system contemplated does not involve price-fixing in the ordinary sense, nor is any of the debate now raging about OPA pricing on other commodities at all relevant. The ceiling price will be determined solely—and automatically—by what the present owner can get in the open market on the next sale after the passage of the act. It merely prevents the buyer, or any subsequent buyer, from reselling during the emergency period at a higher price.

It is, to repeat, not price-fixing in the usual sense but rather a prohibition against unjust and unfair speculative dealings in homes during the emergency period. The present owner, and the man who buys a house to live in rather than to turn at a profit, cannot, in any real sense, be hurt by such a system. On the other hand, the man who buys a house solely for the purpose of reselling on the rising markets which now exist will have his normal freedom restricted.

The justification for this restriction is the unassailable one that this is no time to permit speculators to bid up the prices of houses and, by rapid turn-over during the next year and a half, to profit unconscionably at the expense of veterans who are seeking homes to shelter their families.

4. Premium payments: A basic item in the veterans' emergency housing program is the use of premium payments, whenever necessary, for the purpose of increasing the supply of conventional and new types of building materials. To provide legislative authorization for this key part of the program, an amendment will be proposed providing that such premium payments, in an amount not to exceed \$600,000,000, shall be made by the Reconstruction Finance Corporation in such instances and upon such terms and conditions as the head of the housing program may determine. In determining when to employ such premium payments, the latter is directed to take into consideration the extent to which other methods would not be as effective in increasing the production of building materials or would be likely to result in enhanced sales or rental prices of the housing accommodations to be constructed with the use of such materials.

The immediate expansion of the production of building materials will, in the case of certain materials and certain producers, involve many temporary factors contributing to increased costs. All of these factors must be met in the emergency period if increased production is to be achieved. One way would be to give general price increases. Another would be to make premium payments to individual producers in relation to their increased production and to the extent that their costs have increased. General price increases would, obviously, be reflected in the sales and rental prices of finished housing accommodations. Premium payments would not. If homes are to be made available at prices which veterans can afford, the temporary increased costs of materials must not be permitted to show up in the price of the finished homes.

Premium payments will be directly related to increased production. If a producer fails to increase his output he will get no premium. This is not true of general price increases.

The premium payments contemplated by this amendment are designed for the pro-

ducers of building materials and not for builders of homes of either conventional or prefabricated types. Inasmuch as the larger part of all building materials affected by this program will go into conventional homes, builders of this type will be the principal beneficiaries of the premium payments.

5. Title VI of the National Housing Act: During the war there was enacted, for the purpose of providing housing for purchase or rent by war workers, a more liberalized scheme of FHA mortgage insurance on new construction. There is general agreement that the continuance of this scheme of mortgage insurance during the emergency demand for housing by veterans would be most helpful in meeting current needs. Accordingly, an amendment will be proposed, adding to H. R. 4761 the mortgage insurance plan now contained in title VI of the National Housing Act, adapted for use in connection with the veterans' emergency housing program.

The enactment of H. R. 4761, with the foregoing amendments, will be a great stride in the direction of achieving the objectives of the veterans' emergency housing program. The realization of those objectives as fast as possible is something which, I am sure, is very close to the hearts of all citizens who see on all sides the desperate housing conditions with which our returning veterans are confronted. Each day's delay in getting the program under way means a loss of 3,000 homes.

Sincerely,

WILSON W. WYATT,
Housing Expediter.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, there should not be any question in anyone's mind but that there is an emergency in respect to housing. Why we have a shortage of housing is an academic question, and nothing can be gained, I presume, by calling attention to the fact that one of the reasons why we have a shortage of housing is because the material which would otherwise have gone into the construction of homes has gone into the manufacture of weapons of war. It is quite generally recognized also that one of the reasons for the housing shortage today is because there are not available sufficient building materials to get the maximum construction in the home-building field. There is no shortage of money. There is no shortage of risk capital or investment capital. There is no shortage in the "know how." There is no shortage in the desire to build homes for our returning veterans and needy civilians. The bottleneck in housing is in the building-supply field. Of course, this Congress should cooperate, and I think intends to cooperate, to do everything it possibly can to get the maximum amount of production of building materials. If we succeed, or if the Expediter succeeds, or if industry itself, independently of Congress or the Expediter, succeeds in getting adequate supplies of building material, unless we put restrictions on the industry then we can be assured that gradually this emergency will be licked. It is estimated that we have immediate need for 2,700,000 homes. As evidence of the emergency, it is said also that even after we build these 2,700,000 homes we are going to have to build something like 600,000 homes a year for the next 10 years in the United States to satisfy all of our needs.

So in the full realization of the need for doing something to encourage the production of building materials we must dispassionately, without demagoguery and without emotion, settle down to a clear understanding of these problems.

The gentleman from Texas introduced a housing bill last November 20. I do not think anyone on the committee took that bill seriously until the President sent down his message asking for the enactment of the bill, H. R. 4761. Previous to that he had appointed an expediter. The Patman bill was recognized, I think, by a majority of the committee at the time it was introduced, as unsound legislation, and because we did not think that the committee would be foolish enough to report out the Patman bill as it was written, and because of the opposition on both sides to the bill as introduced, I say, we did not take the matter seriously, but the President asked for the enactment of this legislation. Then we started having hearings in earnest. But the industry had been told that they should not take the Patman bill seriously, because I do not know of anyone on the committee except the gentleman from Texas who did take the bill seriously up to the time the President sent down his message.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. PATMAN. Who told the industry that?

Mr. WOLCOTT. I think the very action of the committee itself was a clear indication that it did not take the bill seriously.

Mr. PATMAN. We had 2 months of hearings starting December 3.

Mr. WOLCOTT. Up to the time the President sent his message down there was an average of perhaps 6 or 7 members of the 26 members of the committee present at the hearings.

I am not making anything of this, it is purely academic. It merely goes to show what a tremendous job the committee had before it in trying to make something out of the Patman bill even after the President's message came down.

We do not argue about whether the industry had sufficient time to develop its case or not. The industry was represented before the committee, and I think that the industry talked individually with probably most of the members of the committee, so that the industry's position is pretty well known.

Mr. Wyatt came down before the committee at our invitation before he had formulated a program, even before the Executive order was granted giving him broad powers to coordinate all the activities of Government in the building field, to get a maximum production of building materials. I think Mr. Wyatt refreshed us with his enthusiasm, his willingness to work late hours in trying to get a program together. I do not think Mr. Wyatt has been given all the cooperation that is essential to give an expediter in the formulation of a program and the development of a program, but I do think Mr. Wyatt was enthusiastic even if he perhaps was misguided in certain phases of his program.

Mr. Wyatt testified before the committee, Mr. Small testified, and Mr. Snyder testified, and then we went into executive session. But Mr. Wyatt had told us that in a few days he would have his program prepared and he wanted to come back before the committee after he had prepared his program and submit his program to the committee. Many of us thought Mr. Wyatt should have had the opportunity to come back with his formulated program and submit it to the committee, and we thought it was absolutely foolish of the committee to try to act on any housing bill which was designed to carry out a program without first knowing what that program was. But the committee met in executive session and reported out a bill. If you are interested in the trouble the committee had in respect to trying to harmonize the so-called Patman bill with that part of the program we had been informed about up to that time, all you will have to do is take a look at the bill and count the amendments which the committee offered and adopted.

The day on which we reported out the bill H. R. 4761, and we reported it out shortly after 12 o'clock, some of us were notified at 2 o'clock that Mr. Wyatt had his program formulated, and at 4 o'clock that afternoon the President announced Mr. Wyatt's program through the press. If we had delayed the reporting out of this bill until the next morning or a day or so anyway, as has been suggested, to give Mr. Wyatt an opportunity to present his program, we would not have all of this chaos and all of this hysteria in respect to this housing program. But that is academic: here is the bill. We have to do the best we can with it. As I see it, the issues in this discussion are going to resolve themselves into two questions. The first is: Shall we put ceilings on old homes and newly constructed homes and, second, shall we authorize Mr. Wyatt or some agency of the Government to pay subsidies to obtain the maximum amount of building materials? I think those are basically the issues in this legislation. I think we are all agreed, surely all of the committee are agreed, that Mr. Wyatt should have the authority to allocate materials and should give preference in the allocation of those materials to homes intended to be purchased by veterans of World War II. There cannot be very much controversy about that. I do not believe there is any controversy or at least there should not be any controversy about granting to Mr. Wyatt legislatively all of the powers which he now has under an Executive order, which powers were granted to him under the provisions of the War Powers Acts. Those powers are broad. Under those powers, Mr. Wyatt can today formulate plans and a program to increase the supply of housing materials. Under that Executive order and under the substitute which I propose to offer to this bill, Mr. Wyatt will be authorized not only to formulate plans and a program but to direct the effectuation of that program by other agencies of the Government. Now, what does that mean? It means that Mr. Wyatt can direct the OPA if in his judgment it should be done, to adjust the maximum

price on building materials in order that a maximum amount of production of building materials may be obtained.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VOORHIS of California. May I ask the gentleman whether the provision he is talking about is in subsection (b) of section 702? Is that where that power is given?

Mr. WOLCOTT. I might say in clarification of that, that I have introduced a bill, H. R. 5579, which is printed and is available and which I intend to offer as a substitute for the bill, H. R. 4761. That power is contained in section 701 (c) (2) on page 3 of H. R. 5579.

Mr. VOORHIS of California. Is that power not in the bill which is now before us?

Mr. WOLCOTT. No, the power to direct the other agencies of the Government to carry out his program is, in the bill which the committee reported out, in very vague language. He is authorized on page 3 of H. R. 4761 to issue directives on policy to those Federal departments, but he does not have the authority under that bill to direct the agency to carry out those policies as he has now under the directive of the President and would have under the substitute which I expect to offer.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. HINSHAW. The gentleman recognizes, I hope, that in giving the Director the power to regulate the prices of building materials so that they may be made available, he at the same time gives the Director the power to do harm so far as concerns the production of one kind of building material in setting a price too low and at the same time to encourage the production of other kinds of building material at a higher price.

Mr. WOLCOTT. That authority is going to continue until June 30, whether or not we like it. He has the authority to do it now and the only difference between his present authority and the authority contained in the substitute bill is that we legislate that authority separately and apart from the War Powers Act.

At the present time the War Powers Act is being used to allocate building materials. It is being used to allocate or control tin. It is being used with respect to the sugar program. It is being used in connection with copper, lead, and zinc. So we lift from the War Powers Act the authority which he now has to allocate these materials, add to it the power to direct the OPA and other agencies to carry out his directives, and legislate separate and apart from the War Powers Act. If you do not want the Expediter to have those powers now—now—then, of course, you should be giving consideration to the repeal of the War Powers Act, under which the President has the power today to direct the Expediter to do this job.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HANCOCK. How long does the gentleman propose to let Mr. Wyatt have the power to establish priorities, allocations, and make rationing rules?

Mr. WOLCOTT. In the building supply field, until June 30, 1947.

Mr. HANCOCK. The gentleman knows that the Committee on the Judiciary is considering the extension of War Powers Act No. 2, now?

Mr. WOLCOTT. Yes.

Mr. HANCOCK. And that is one of the questions involved.

Mr. WOLCOTT. Yes.

Mr. HANCOCK. So you are assuming jurisdiction over that part of War Powers Act No. 2?

Mr. WOLCOTT. I assume so, but I hope the gentleman will not object to our assuming jurisdiction in order to get the job done, because we have deferred so much of the Wyatt program to other committees, if we had not kept that part of it we would not have any subject on which to do the job at all.

Mr. DONDERO. Mr. Chairman, will the gentleman yield to me?

Mr. WOLCOTT. I yield to the gentleman.

Mr. DONDERO. Was there any evidence before your committee which indicated that by placing controls on the production of material you were going to get more building material than you get now?

Mr. WOLCOTT. No.

Mr. DONDERO. Without the payment of subsidies?

Mr. WOLCOTT. No.

Mr. DONDERO. That is the bottleneck—the production of material for building homes.

Mr. WOLCOTT. I will discuss the subject of subsidies later on.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mrs. ROGERS of Massachusetts. I was wondering if the gentleman would be willing to use the word "priorities" everywhere in the bill? I notice he uses the word "preference" in the beginning of the bill, and in other places the word "priorities." There seem to be quite a difference between "preference" and "priorities."

Mr. WOLCOTT. In the first part of the bill is a declaration of policy, and in the provisions of the substitute priority is spelled out in simple, understandable language. It is a direct allocation to established priorities.

Mrs. ROGERS of Massachusetts. That is very definite, I know.

Mr. WOLCOTT. What the gentleman has reference to in the first part of the bill is merely a declaration of policy.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENKINS. The gentleman may have discussed this proposition, but I wanted to know if he makes any provision for increased production.

Mr. WOLCOTT. Yes. The burden is on the Expediter to get the maximum amount of production in any way he sees fit. As I said, he can direct, at the present time under Executive order, and he can under the substitute, if it is adopted,

the effectuation of any plan or proposal which he formulates. Of course, that includes directing the establishing of price ceilings on building material if he finds it necessary in order to get the necessary amount of production.

Mr. JENKINS. We have heard so much talk about the Patman bill and that what we are trying to do is to build houses. Everybody sings that same song, but I have always maintained that in order to build houses you have to produce the material with which to build them.

Mr. WOLCOTT. Yes; that is right.

Mr. JENKINS. If you set up a bill that has everything set out, how he can make his application, and so on, and where he can get the money, that is one thing, but if you do not do anything with reference to increasing production except to say that the Expediter shall do these things, why has not some expediter done it before this time?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

There is not anything in the Wyatt proposals except ceilings and veterans' preferences that is not contained in existing authorizations.

Miss SUMNER of Illinois. Subsidies.

Mr. WOLCOTT. Just a moment. So it is academic as to why they have not done it, and, whether he exercises these powers judiciously or not is something over which we do not have any control. You cannot legislate common sense into the administration of any law.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JOHNSON of California. I want to ask the gentleman right along that line about subdivision 2 of section (c) on page 3. In the building of these houses frequently one particular thing is short, such as shingles, paint, or something like that. As I read this language that I think the gentleman wrote, if he found a bottleneck in any of those things and found that the ceiling was too low he could direct the OPA to raise the ceilings to get the production needed to cut the bottleneck.

Mr. WOLCOTT. Absolutely.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HARNESS of Indiana. Can they not do that now without any additional legislation?

Mr. WOLCOTT. Yes; under OPA they could do it. The only new authority in the Wyatt program is ceilings on the finished homes and the authority to channel materials to homes for veterans.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield for a further question?

Mr. WOLCOTT. I yield.

Mr. JOHNSON of California. But under this law this man can direct OPA to raise the ceilings.

Mr. WOLCOTT. That is right.

Mr. JOHNSON of California. And if they do not do it he can do it.

Mr. WOLCOTT. That is right, but he does not have this right under present

law, but will get this authority if my substitute, H. R. 5579, is adopted.

I do not believe Mr. Wyatt has as yet gotten into a position where he has a persecution complex. I do not think he is in the same position that Mr. Leon Henderson was and Mr. Bowles seems to be now. They never seemed to think they were doing a good job unless they are being criticized or giving cause for criticism; and it is to be hoped that because Mr. Wyatt has responsibility for doing these things that he will not exercise the authority given to him under this bill in defiance—we will put it that way—of the OPA policies which have heretofore strangled our reconversion and production effort.

This question of ceilings is not in my substitute. Ceilings are not authorized in the substitute. The reason why ceilings are not authorized in my substitute is because you do not need ceilings. You do not need ceilings if the other powers are judiciously used to control the prices for these homes that are to be built.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I believe the Chair misunderstood me. I yielded myself 10 minutes. However, I now yield myself an additional 10 minutes.

The CHAIRMAN. The gentleman is recognized for 10 additional minutes.

Mr. WOLCOTT. At the present time the expediter can control the ceilings on building materials. At the present time the expediter can channel building materials into homes to cost not over a certain amount of money; and you can follow that priority, or preference, or whatever you want to call it, right through to the final transaction under which the GI or anyone else buys the home and closes the deal. There is, therefore no necessity for holding that sword of Damocles over the head of the industry, because they have told me and they have told you that if a ceiling is placed with these constantly increasing costs they cannot estimate from one day to the next what their costs are going to be and they are not going to drive a nail; so your ceilings must be flexible, flexible enough to give industry the opportunity to lay out a program and complete that program.

We now come to the question of a ceiling on old homes that they are talking about. What does it amount to? It just so happens that many of us were in World War I—a little too old and too fat to get into World War II—and no one has more feeling than many of us for the veteran of World War II. We came back, got married, had children, established homes.

They have a perfect right to establish homes. Prices were sky high then. I remember the first civilian suit of clothes I bought in Detroit when I was discharged in 1919 cost me \$100. I could not afford to buy a home; I could not afford to buy many things I wanted to buy; but under the proposal of the gentleman from Texas the GI would take every dollar of inflation in the first purchase of the home. That is not doing him any

service, no service at all. A house is built for \$6,000 and it is bid up to the point where he has to pay \$10,000 for it. He has \$4,000 of water in that house. It is not doing a GI any good to compel him to pay \$4,000 more than the house actually is worth. It is not doing him any good to burden him with a debt of \$70 to \$90 a month during the rest of the constructive years of his life. I dare say that 95 percent of the Members of this House who were in the First World War, when they came out, could not afford to pay \$70 to \$90 rent for a home, and no more can these GI's afford to obligate themselves for 25 years to the extent of \$70 to \$90 a month for homes. It is not doing them a service to put them in the position where they have to assume all of the inflation. That can be otherwise controlled.

In the Patman bill there is a very interesting proposal in section 705, page 11, which reads:

Whenever in the judgment of the director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations, he may allocate—

And so forth. Do you want to give Mr. Wyatt or any other single individual the authority to allocate roads, streets, sewers, water lines, and electric lines? Of course you do not. I have stricken that out in the substitute which I propose to offer. I have stricken the word "facilities" out. No department or government should have that broad authority.

The gentleman from Texas [Mr. PATMAN] in his bill sets up a new bureau of Government. He creates the Office of Housing Stabilizer and authorizes the director of that housing stabilization bureau to employ, subject to the civil service laws, such persons as he deems necessary in order to carry out his functions and duties, and fixes their compensation. That is the establishment of a bureau.

Under my substitute I authorize the President to appoint an expediter, either within or independently of any existing agency of government. He has appointed an expediter already within an agency of the Government. His salary, therefore, is controlled by the laws and regulations incident to the salaries in that agency of the Government.

Under this program they ask for \$250,000,000 of so-called Lanham construction funds. We did not think we wanted to assume jurisdiction of the Lanham committee so we referred that part of the program to the Lanham committee. I understand the Lanham committee has acted on it favorably and that it will come out in due course.

Another part of the program provides for tax amortization. We thought that that was within the jurisdiction of the Committee on Ways and Means, so we did not trespass upon that committee's jurisdiction at all. We thought that that matter should be left to the Committee on Ways and Means.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I think the gentleman should tell the people whom "we" are.

Mr. WOLCOTT. The gentlewoman can speak for herself. When I say "we" now, I mean the committee. We did not want to assume the jurisdiction of the Committee on Ways and Means with respect to tax amortization, and we, the committee, did not want to trespass upon the jurisdiction of the Lanham committee with respect to Lanham construction. Neither do we of the Committee on Banking and Currency or we of the Committee of the Whole want to trespass upon the legislative prerogatives of the great Committee on Appropriations, or should not. So, in the matter of subsidies, which is not included in my substitute but which I understand will be offered as an amendment, there is no reference to subsidies. The reason is obvious if we remember what has gone on in this Congress in years gone by. They have always had the authority to pay subsidies since the enactment of the first Price Control Act. Section 2 (e) of the Price Control Act provides in part:

That whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year he may, on behalf of the United States—

Then he goes on to say that he may sell at a loss or pay subsidies to obtain the maximum amount of production.

All he has to do to pay subsidies is to come to the Committee on Appropriations and get his appropriations. The Committee on Appropriations, I am sure, will refer it to this House, and we will decide whether subsidies shall be paid by OPA. The act goes on further to say that when the President defines a commodity as strategic or critical material, then that subsidy shall be paid by an RFC subsidiary corporation.

So all the President has ever had to do to give the RFC jurisdiction to pay subsidies was to put building materials on his list of critical and strategic materials, and building materials today, in the face of this emergency, are critical, and nobody could blame the President for doing that.

The only sticker to that is the so-called Taft amendment which was put on in 1944. That amendment provides as follows:

That after June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payment or buy any commodities for the purpose of selling them at a loss and thereby subsidize directly or indirectly the sale of commodities unless the money required for such subsidies or sale at a loss has been appropriated by the Congress for such purpose—

Let us stop there and see what happens. Down to that point it already becomes a Budget transaction. The Budget at any time within the last 2 years could have sent down to the Committee on Appropriations a supplemental budget asking for an appropriation to pay subsidies. You may say there is no authority for it. Let me read the final and perhaps controlling sentence: and appropriations for such purpose are hereby authorized to be made.

That authorizes the payment of subsidies to obtain a maximum production of building materials. There is nothing clearer than that that you could possibly write into the law. So there is no reason why we should argue here in respect to this bill as to whether we should appropriate money to be paid as a subsidy any more than we should assume jurisdiction over Lanham construction, any more than we should assume jurisdiction over tax amortization. The question of subsidies is clearly one for the Budget Bureau and for the Committee on Appropriations.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Will the gentleman advise the House whether or not he is in favor of the use of subsidies for the stimulation of the production of building materials at this time?

Mr. WOLCOTT. I would prefer a judicious increase in prices to obtain the maximum amount of production.

Mr. MONRONEY. Will the gentleman say whether or not he is in favor of using subsidies?

Mr. WOLCOTT. I do not think that is in this issue at all. Do not think for a minute that I am going to be sidetracked onto something that is absolutely irrelevant to the issues before us, because at this particular time subsidies are not before the Congress.

Mr. MONRONEY. The gentleman has talked for 5 minutes about subsidies.

Mr. WOLCOTT. There is no need for us to be contending with this very controversial subject of subsidies when authority is already contained in the law for the payment of them.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. BARRY. The gentleman stated that placing a ceiling on old homes, that is, after the first sale, after the bill is passed will compel a GI to absorb the present inflationary price. Will the gentleman tell the House how the GI can escape absorbing that price now, under present law?

Mr. WOLCOTT. He cannot.

Mr. BARRY. What is the point the gentleman is making, then?

Mr. WOLCOTT. Under present law the GI when he sells that house can get what he paid for it plus his improvements. Under the amendment which I think probably will be offered he cannot, because there has always been a controversy in OPA rent control as to whether improvements are improvements or whether they constitute current maintenance. They have never made any clear distinction between what is current maintenance and what are improvements. So unless you do leave it as it is, then you are liable to put the GI in a position where, after paying this inflated price, he will not be able to sell it for that price plus what he spends on the house.

Mr. BARRY. Does the gentleman think the GI is going to buy a house, when he has no home, and then sell it again and continue inflation?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman refer to the bottom of page 5 of the Patman bill? I wish to submit a question on the matter of the ceiling on old homes. Section 704 (a), lines 21 to 23, include the words, "the construction of which is completed after the effective date of this title."

Then, going to the top of page 6, I think the language "housing accommodations" is sufficiently wide to enable the Director to place ceilings on old homes. I raise that point so the gentleman can give us the benefit of his thought on that subject.

Mr. WOLCOTT. I would say that technically the gentleman is right, but I do not think in all fairness to the situation that it was the intent of the committee that it be interpreted in that manner.

Mr. CRAWFORD. I agree with the gentleman that it was not the intent of the committee that the Director be permitted to place ceilings on old homes.

Going now to page 10, lines 16 to 19, I think the language there again specifically authorizes the director to place ceilings on old homes.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. BARRY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BARRY. Mr. Chairman, the debate on this bill is to continue for today. If the gentleman continue yielding himself time, he can use all the time. I want to know whether or not there is a limit to this debate or whether all the time is to be consumed by the gentleman.

The CHAIRMAN. The gentleman is entitled to yield himself 1 hour, and he has not exceeded that time up to this point. The gentleman can proceed for more than an hour only by unanimous consent.

Mr. WOLCOTT. I hope the Chair will call my attention to the fact if I do yield myself more than an hour, because it is not my intention to do so.

Mr. CRAWFORD. I think the gentleman is doing a good job, and he can certainly use my time if he wants to keep on. Now about lines 16 to 19 on page 10.

Mr. WOLCOTT. I think we have the same problem there. The answer to it all is that the Committee of the Whole should consider a clear bill and not try to get into the intricacies of the language difficulties which we know we had in the short time we were in executive session on the bill.

Mr. ROE of Maryland. Mr. Chairman, will the gentleman yield for a question?

Mr. WOLCOTT. I yield.

Mr. ROE of Maryland. Did the committee study whether the regulations of the OPA had affected our construction of houses seriously or not?

Mr. WOLCOTT. I think there was some discussion in connection with it. Of course, we are holding hearings now on the OPA bill and it is expected that

the committee will go into the effect of the new wage price policy on production and the effect which prices have on production. We will take that up with the OPA bill.

Mr. ENGEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ENGEL of Michigan. Did I understand the gentleman to say there would be an amendment offered to place a ceiling on the first sale of the house?

Mr. WOLCOTT. According to the bill introduced by the gentleman from Texas, with reference to old construction, the first price for which the old construction sells after the enactment of the law becomes the ceiling price.

Mr. ENGEL of Michigan. Let us assume for the sake of argument that there are 40 houses in a block and 1 house is sold. Therefore, there is a ceiling on that house. But then there are 29 other houses without a ceiling on them which can be sold for anything that they want to sell them for. Is that right?

Mr. WOLCOTT. That is right.

One of the proposals made by Mr. Wyatt was for the continuation of title VI. I felt that that was needed so in the substitute I have inserted it. I thought it would be very helpful for several reasons. It makes it much easier for returning veterans to finance the construction and purchase of homes if title VI is reenacted and extended. Therefore, in the substitute which I intend to offer for this bill, I have reenacted title VI and made it possible to apply title VI to homes, the construction costs of which have increased since title VI was adopted originally. I will not try to review that matter but may I call to your attention, in that connection, that I believe it will be entirely satisfactory to you because although there are no ceilings on the construction costs, there are ceilings upon the amount which the FHA may insure, that is, 90 percent or \$5,400 or \$7,200, under the formulas. There is one thought you must keep in mind and which we all ought to keep in mind when we consider setting ceilings on new construction. The FHA when they insure a title VI mortgage control the price at which that house is going to be sold. That is another reason why we should not put a ceiling on the price of new homes.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KEAN. How much additional authority under title VI does the gentleman propose?

Mr. WOLCOTT. If the gentleman will refer to section 707 on page 8 of H. R. 5579, there it is set out that the authority is increased by a billion dollars, from \$2,800,000,000 to \$3,800,000,000. Of course, that is insurance authority and there is no appropriation involved.

Mr. SCRIVNER. Was there any discussion as to the constitutionality or lack thereof of a provision similar to that proposed by the gentleman from Texas or the gentleman's substitute?

Mr. WOLCOTT. No. However, I am inclined to think that the committee bill as reported, as well as my substitute, is

constitutional under the decisions of the Supreme Court. That is why the bill starts out with the statement that the Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population, and so forth. I had definitely in mind making the language conform to the requirements of constitutionality as set forth in some of the decisions of the Supreme Court. They held even before the war that if the Congress declares an emergency exists that the Constitution may be flexed in certain particulars.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENNINGS. Very definitely, in my opinion, under the provisions of the so-called Patman bill, this man who is put in charge of housing in this country can put a ceiling price on old homes and hogtie a man who owns a house and keep him from selling it and perhaps making a profit that may be very insufficient.

Mr. WOLCOTT. We have not brought about any production increases by putting ceilings on anything. I do not think any of us who has ever gone along with price control has ever advocated that the putting of ceilings on any commodities would get maximum production.

Just the opposite is true, of course. So you are not going to get any new homes constructed by putting ceilings on them.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Chairman, I yield 18 minutes to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I am supporting this bill as reported. I introduced an amendment to strike out subsidies, and it was passed. I introduced an amendment striking out ceilings on existing homes, and it was passed. The Patman bill, as it now appears here, was approved by the committee by a vote of 13 to 9. I find myself this afternoon defending this orphan child. Those on my left have a substitute. My good friend, the author of the bill, has an amendment, as well as the chairman.

Now, I am asking you on both sides of this aisle to defend this orphan child, because it passed the committee by a vote of 13 to 9.

Now, what is in this bill? As a matter of fact, none of the agencies at first wanted anything except extending the powers under title III of the Second War Powers Act. That is about all there is in the Patman bill now, except that it places a ceiling on new homes. There cannot be any objection to that, because you have ceilings on the material. You are selecting some and giving them a preference. If they are given a preference they would not object to a ceiling on the particular home.

So the gentleman from Michigan [Mr. Wolcott], has gone a little too far, I think, on that, and that is about all we have in the Patman bill that does not exist in the Second War Powers Act. I

think we should extend the power relative to buildings and materials, because that act will expire on the 30th of June next. Therefore, I think this bill will carry out the wishes of most of the Members of this House when they thoroughly understand it.

Now, you are talking about veterans. Yes, we want to help the veterans in every way we can, but we are doing it today under Executive order, based upon the Second War Powers Act. The President can allocate 50 percent of scarce building materials to the soldiers of our country, and I understand from the chairman that this is being done. He can give them a priority and can give them preference, which I am told is being done now, but when you help the soldiers of this country, let us not merely help them in words. Ninety percent of them do not have the money with which to buy a home. A great many of them in my section of the country will not be able to borrow the money from the banks. The banks will not loan them 50 percent to match the Government, because they are 25-year loans, and again because they will probably suffer some loss, and they are loaning the money that belongs not to them but to their depositors. So I think the FHA should be authorized and instructed to make practically all their loans to help the veterans in this emergency. Let us be realistic about it. That is about the only benefit they will get, because the FHA puts up 90 percent. Local people are not afraid of the FHA loan because it is local money, local labor, and for local construction, and we have suffered practically no loss from the homes heretofore built by the FHA.

Let us help the veterans build homes and allocate to them this scarce material. We cannot do more than that. Let us not get this building program too complicated.

On the question of subsidies, some members are going to try to put subsidies back in the bill. We fought the subsidy proposal all through the hearings. And then they are going to try to place a ceiling on existing homes. I want to show you the fallacy of both.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield at that point of ceilings on old homes?

Mr. BROWN of Georgia. I am going to cover what I believe the gentleman has in mind; suppose he asks his question later.

I am not sure there is any further legislation needed to give the Housing Expediter all the powers he needs. We only have to extend present legislation under which he operates for a period necessary to meet his needs. When Mr. Wyatt was before the Banking and Currency Committee, I asked him if he needed any other powers than those he now had and he said that he did not need any further powers, but that what he was concerned about was that those powers would expire on June 30 next, unless renewed. Of course, it is a very simple matter to extend the legislation now on the books which is necessary in order to carry out this program.

There is no member of this House who more fully appreciates the housing situation in many areas of this country or

who appreciates more than I do the tragic plight of so many of our returning veterans. My position will not jeopardize the success of the emergency housing program but will, in my judgment, improve it. I doubt the necessity for implementing new legislation, which always takes time, and there will be no danger of inconsistencies developing between this legislation and that which we already have.

I do not mind accepting one amendment that will be offered to increase the lending authority of the FHA by \$1,000,000,000. That is a good thing to go in the bill for nobody is against it on either side. It is in the substitute. The amendment will be introduced by either the gentleman from Texas [Mr. PATMAN] or the Chairman; and when that is adopted you will help these veterans secure more homes through the FHA.

Mr. Chairman, a ceiling on existing homes will bring on more inflation by making the first sale the ceiling price. This will freeze future sales because the owner cannot obtain a larger amount for his property. It will force the first sale—which will be the ceiling price—higher than the market value for the purchaser knows that he cannot buy after the first sale. The owner who desires to sell—if you can find such an owner—will advertise his home for sale, and there will be not only one or two prospective buyers, but a flock of buyers, bidding against each other because they know they cannot buy the home after the first sale. The owner would probably obtain 25 or 30 percent more than he would in a free and orderly market. The owner would be in the position of a continued auctioneer, always selling to the nervous and exciting bidders, never closing the deal until he is assured of two or three times more than the market value. The buying public in the mad rush is brought to the conclusion that this is the last opportunity to buy a home in the community of his choice.

Why should a man sell his home if he needs it? He knows he cannot buy another home. Do you know of a sale of an existing home recently that brought more than it will cost now to construct that same house? If you go out and buy the material and pay the masons and carpenters to construct it, you will find out the real and present value of your house.

Let me ask this question: Should a man be required to take less than the replacement value of his home? If the house is destroyed by fire, the insurance company will pay him the replacement value for his loss.

Yes, existing homes are too high, far too high, but what made them too high? It is the advanced cost of material and labor, so the construction and ceiling on new homes will control the selling price on old homes; you can buy any house today, if for sale, for less money than you can build the same house.

How foolish it is, then, for a man to sell his home and turn around and place the same amount in a new home when he knows that he will have to pay income tax on the profit of the sale of his existing home. No benefit could result from ceiling on old homes. Why then would

you want the additional expense of hundreds of thousands of men running around and checking up on 40,000,000 homes, the sacred castles of our citizens.

Suppose there was some small gain in the ceiling. Would it compensate for the expense of all these Government agents harassing and irritating all the home owners of America.

I know we have gotten away from free enterprise, and perhaps in many instances justified in an emergency, but I never thought that my Government and your Government would undertake to regulate and control the sacred homes of 40,000,000 people. Let us defeat or postpone this one regulation.

I am brought to the conclusion, and I think a correct one, that since existing homes are so high that ceiling on material and on new buildings will from now on control the price of existing homes, and then we will get rid of the expense of thousands of employees checking up on old homes and save the people in every home of America from being irritated and molested by such a policy.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Georgia.

Mr. CAMP. In regard to this subject of subsidies, I notice in the morning edition of a local Washington newspaper, a newspaper that has been against subsidies all the time, that they now support subsidies. Is the trend, as the gentleman sees it and as the gentleman's committee sees it, coming back to these subsidies or not?

Mr. BROWN of Georgia. May I reply to my distinguished friend that the Washington newspapers are like the Washington weather. If you do not like what they say just wait for the next issue.

Mr. CAMP. What about subsidies? Does the gentleman find there is a demand for subsidies now?

Mr. BROWN of Georgia. There is not only no demand but you will not get a sawmill owner or any producer of lumber to accept subsidies in this crisis.

Subsidies will not increase production of building materials. Who in the sawmill business, who engaged in the production of lumber or the manufacture of brick has asked for subsidies? These people will not take the handouts from the Government here in Washington. They desire to operate their own business with ceilings high enough for fair profit on their operations. You will not find one producer in the field of building materials who desires or has asked for subsidies. This new subsidy plan will postpone the production of building material. The owner of the timber will let trees grow larger and cut same in the years ahead, when the tax burden is not so heavy, unless he is permitted a fair price. Timber is quite different from other commodities in that the trees live and grow larger. The owners who are against the policy of subsidies, since the war is over, will take their profit in growing timber rather than to produce now without profit.

I do not recall a single witness at the hearing who was in favor of subsidies.

Practically all of them were against that part of the original Patman bill.

My amendment to strike out the section of the Patman bill relative to subsidies received almost a unanimous vote. The proposed subsidy amendment is practically the same as was in the original Patman bill.

They call it a premium payment in this amendment, and it is different only in name. Why such a change all at once on the part of many members of the committee?

Subsidies will retard and delay a real solution of the housing problem. I can tell you now we must come back to free, competitive enterprise if you want more lumber.

The principal witnesses for the Government, Mr. Snyder and Mr. Wyatt, did not ask for subsidies. As a matter of fact, on page 430 of the hearings, the evidence shows that at that time Mr. Wyatt had not endorsed the policy of subsidies, and on page 428 Mr. Wyatt strongly intimated in this testimony that all he wanted was extension of existing powers of the Second War Powers Act.

The kind of subsidies proposed to be set up is a subsidy given to establish new plants, to equip plants which do not have sufficient equipment, and to pay bonuses to high-cost producers. How long do you think it would take to set up the machinery to do this? The simplest and quickest way to do it is to put the industry into production by permitting it to charge a price which will produce a fair profit. This can be done at once, and if it is done, in my judgment, production will immediately start, and will procure the much-needed materials.

Subsidies are not only expensive, but in the end are reflected in the taxpayers' pockets. To that extent the buyers of these houses will pay the subsidy twice over, while those who receive no benefit from such a program must also pay its costs.

The answer to inflation in real estate, as in every other commodity, is production. Production is a problem of materials and wages. This subsidy is supposed to encourage production. But the manufacturers do not want it. They want no such pork barrel from the Government. They fear—and rightly—that injustice and favoritism will result, putting many producers, particularly the small producer, entirely out of business. They fear—and again rightly—that regimentation and control will result. They fear the end of free private enterprise.

And will such subsidies bring down the cost of housing? Will not they rather tend to keep it up? Will not the effect be inflationary rather than otherwise? And what happens when the subsidies are stopped—as certainly they must some day be?

I ask you again to stand by me and vote for the Patman bill in its present form, the one that came from our committee by a vote of 13 to 9. I am standing by the committee bill and it has been a rule and a precedent for years and years that if you do not thoroughly understand a difficult bill you support the committee's action.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In common with a good many members of the committee I am terrifically bothered about section 703 giving the power of subpena. We refused to give that power in labor legislation and we refused to give it in other legislation, and I am wondering if the gentleman can give us any good reason why the power of subpena should be incorporated in this bill.

Mr. BROWN of Georgia. Take, for instance, the sale of an old house. They can ask the fellow to bring in his records.

Mr. WHITTINGTON. Exactly so, and that is what I am wondering about.

Mr. BROWN of Georgia. I do not see anything very wrong with that. The thing you might object to is this broad power given to the Expediter. To be perfectly frank with you, while I am for this bill as it is, I would rather have the President have all of those powers than any other one man.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, as a member of the committee I am not certain just what this bill will accomplish, but I do know from my own personal experience that we face a very critical and dangerous situation today. We have in my part of the country, and I know in the districts of the gentleman from New York [Mr. GAMBLE] and others who live in the large metropolitan areas, hundreds of thousands of returned veterans who are living with their mothers-in-law or their brothers or their uncles or others. That is not a very happy situation. We also have those few houses that are available in my part of the country priced at \$10,000 and up. My own brother-in-law, who got out of the service about 3 months ago, canvassed the entire Long Island area and finally was lucky enough to obtain a six-room house that cost him \$14,500. That is a condition and not a theory.

I say I do not know what this bill is going to accomplish because every builder in the greater New York area to whom I have spoken, and I have spoken to many, has told me that they cannot build a house under \$10,000, and that price is out of the range of 95 percent of our returning veterans. That is the problem we face today.

We in this House have paid out subsidies. We have paid them to the consumers, we have paid them to the processors, we have paid them to the farmers. Subsidies are not a new thing. To my mind, this situation is as dangerous as any situation we have ever faced in this Nation, because a dissatisfied group of three or four or five million veterans can certainly raise havoc with this Nation, and they will have a great tendency to drift toward the left if we do not meet their essential needs.

You talk about the OPA and the price ceilings. If we had placed price ceilings on the old homes years ago when we first started OPA these boys would not now be faced with an inflationary price such

as exists today, 50, 60, 70, or 80 percent above the old cost of construction price.

Talking about the ceilings on old homes, very many people seem not to realize that this ceiling does not go on until after this bill is passed and until after the first sale is made, so that the ceiling, as the gentleman from Michigan [Mr. WOLCOTT] has pointed out, is bound to be an inflationary one.

I cannot help but recall about 20 years ago when I got out of college and went down to see what the land boom looked like in Florida. I remember the main road of the city of West Palm Beach and the main highway at Palm Beach. I saw that property in less than 8 months go from \$600 a front foot to \$2,500 a front foot. I saw houses that were priced at \$15,000, \$16,000, and \$17,000 when I first arrived there—and I stayed there for a year—go up to \$25,000, \$35,000, \$45,000, and \$75,000. I can see that the tendency today in many parts of the country is moving rapidly in that inflationary direction.

If the Patman amendment is too severe, I wish the House would take into consideration the so-called Monroney amendment, which provides in substance that a ceiling be established only on those houses where the purchaser does not live there for less than 6 months. If anyone is going to buy a house for residential purposes he will certainly live there more than 6 months. If he buys it for less than that time, the chances are, 99 times out of a hundred, that the house is being bought for speculative purposes.

I want to bring you back again to the people about whom we are mainly concerned, the millions and millions of young men who lost 3 or 4 years out of their lives fighting for us, and who have come back and now find no shelter for themselves and their wives and children. From my point of view, that is the most important purpose of this legislation. Every argument that has been made here today has been more or less the same old arguments. We do not want bureaus. We are against bureaus. But we have had them during the war. We had to have them because of war created emergencies. This emergency which we have today, even though the war is over or the shooting is over, is still a war baby and it is our duty in the House of Representatives to treat it as such.

The CHAIRMAN. The time of the gentleman from New York has expired.

TRUMAN-WYATT HOUSING PROGRAM

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I would like to discuss the merits of this bill. We are in a great emergency insofar as housing for veterans is concerned, just as much of an emergency as we experienced during the war when we needed housing for war workers near war plants in order to produce planes, tanks, ships, and guns. This Congress provided that housing that should be provided for war workers. It was our duty. They were performing a very essential part of the work in the winning of the war. We provided those homes. We made rules and regula-

tions. We had regimentation—we were at war. That regimentation gave those war workers an opportunity to buy a home at reasonable prices. We made it possible by laws that we voted for. If they wanted to rent a home, they could rent one at a reasonable rent because of laws which we voted for. That was 4 years during the war. After VE-day and VJ-day we have seen 30,000 servicemen returning daily to our shores to be discharged. Many of them were married. During the war their wives and children were living with their in-laws and doubling up. One of the things the veteran was fighting for overseas was an opportunity to come back to a free country and live in a home of his own with his wife and children—only one family under one roof. When he comes back home, he sees all these homes filled and none for sale at a reasonable price and no homes for rent at a reasonable rental. Consequently, between two and three million veterans' families are doubled up today living with their kinfolks and their in-laws and friends. That is the best they can do. That is not always conducive to the best kind of home life. Since this Congress provided for the war workers during the war as they should have provided, is it not logical, reasonable, and right that when these veterans come back home after 4 years abroad, veterans who have not had an opportunity to buy a home while they were away fighting for our country, is it not logical, reasonable, and right that we consider this emergency so far as they are concerned as continuing until we can give them a reasonable opportunity to get a home? Why should we say we will take off all rules and all controls when the war is over? That is fine for the people who were here and who could get homes, but for the fellows who were not here and had no opportunity to get homes it is not giving them a square deal. This bill is for the purpose of giving a chance to those boys who were away, not for 4 years as those of us who stayed here during the war—we had 4 years to get a home—we are not giving them 4 years after they get back, but we are expecting to give them 2 years—this year and next year.

President Truman recognized this as being a great national emergency. It is approaching, if it has not already become, a national scandal, a national disgrace. We could not help it. We were using all the materials in the war. The war suddenly ended. Men commenced to be demobilized quickly, by the millions. If we had foreseen it, probably we could not have done much more about it, but we can now do our best to correct it. That is what we are called upon now to do. So this bill recognizes that we do not have enough materials. We know that. We must have production, but it will cause more homes to be built, and I will tell you why.

Today, practically all building materials are going into the construction of buildings that we can do without. Why? Because the people who build those buildings can make more money out of construction of that type. It is perfectly natural and reasonable that they would do that. They built two theaters in one section of this city just

recently, where enough materials were used to build homes for a hundred veterans' families.

Suppose this bill will not manufacture any more lumber or materials. It will certainly channel the materials that now exist, scarce as they are, away from non-essential building, like amusement houses, bowling alleys, race tracks, and non-essential buildings like that, where the contractors make the most money, into the construction of the largest number of residential housing units, giving preference to those boys who have been gone 4 years and who were not here and who had no opportunity to seek and obtain homes for themselves and their families.

Why should we shut off all these controls exactly at the time when they are coming back, and have the only opportunity they have had in 4 years to try to get a home? We do not like regimentation. We do not like any kind of controls. But why should we become so indignant at all controls, so determined to cut them all off, at the very time when it will hurt most the men who saved our country in time of war? How are we going to answer that when we go back home to our constituents? They will say: "Well, you provided these war workers with homes. You voted for that. You believed in regimentation and you believed in controls. But when we come back and we get married and we want a home, you say you are against all these controls, and you are against regimentation, and you stop it. You cut it off at the very time I have a chance to get a home for myself."

I think it is time we should consider that.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SMITH of Virginia. Would the gentleman tell the House why, with the present OPA rent control, rigid as it is, we are placing into this bill another agency and another rent control?

Mr. PATMAN. This is an all-powerful agency. This is so serious that we feel we should have one person who has overall power in housing. He is over the OPA in this, and should be.

Mr. SMITH of Virginia. In rents?

Mr. PATMAN. Yes, sir. Absolutely, in rents.

Mr. SMITH of Virginia. How will it work?

Mr. PATMAN. The FHA will enforce this. The OPA is not going to do it. The FHA is going to enforce it. The FHA has satisfactorily performed the duties it has had to perform. It will have charge of that part of the program, and we will use that agency. I know we will never have any controls that will be satisfactory to all people, but the point I make is: Why should you become so hard against controls, after giving them to everybody else for 4 years, giving them the benefit of controls, holding down prices, and enabling them to get homes at fair prices—why should we become so indignant right at the time these millions of veterans are returning, when they could get the benefits of that policy? That is what I cannot understand.

Mr. SMITH of Virginia. Would the gentleman tell us whether he proposes to continue the OPA rent control and this rent control also?

Mr. PATMAN. One does not touch the other, side, edge, or bottom. This only controls as to new construction. The rent control in OPA applies to everything.

Mr. KOPFLEMANN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KOPFLEMANN. In view of the tremendous cut that has been made in the appropriation for OPA, is it not now necessary more than ever that some agency be employed for the purpose of controlling rents?

CONGRESS INFLATIONARY

Mr. PATMAN. I am glad the gentleman mentioned that. If we have inflation this Congress will be responsible for it. The reason is that in the case of every law we have passed we have hamstrung the administration of it and have not given the Administrator enough money to enforce it. We have cut the OPA to one enforcement officer for each county. There are 3,071 counties in the United States. The OPA recently asked for more money to do an enforcement job and the House came mighty near not giving it to them, and in the other body I understand they actually cut it in half. We have not cooperated with the executive branch of our Government. If we have inflation this Congress must bear the responsibility for it.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITTINGTON. I agree with the gentleman that the building of places of amusement should be subordinated to the building of homes for veterans, but under the powers granted in this bill would not the director have power to exercise priority over highway construction and flood-control improvement cutting down the very things that would protect the property and lives of people who buy houses that had already been constructed?

Mr. PATMAN. Possibly he would have that power, but not a directive to do it; and I would not vote for the bill if I were not willing to trust the one whom the President wanted to administer it. I am not going to say that the administrator would have the power to do or not to do certain things, for he is given tremendous power and he should have it because we are trying to meet a great emergency. But, listen: We are using the word "preference" in here, giving veterans preference and their immediate families. But Mr. Wyatt has already said that he is going to have an elastic hardship clause, he is going to take care of churches, schools, and any needed improvements where it will give work and where it will cause additional material to be manufactured. For instance, the gentleman, we will say, has a plant in his home town which needs materials to build an addition. When the addition is completed it would be able to manufacture building materials. Certain materials will be allocated for that purpose. They would be used for any

needed purpose, but veterans are given preference to build moderate priced homes; and if you are going to give veterans preference why not give them preference?

Mr. WHITTINGTON. But he could change priorities that had already been granted to highway improvement projects and flood control projects, the very things that may be necessary in many areas so they can get these homes.

Mr. PATMAN. Oh, no. The gentleman need not be disturbed about that. Every needed improvement will be met once the preference to veterans in housing has been met. I do not believe Mr. Wyatt would cause veterans to live in a pasture for the lack of some improvement.

Mr. WHITTINGTON. That was not my question; we are not talking about veterans living in pastures.

Mr. PATMAN. I do not think the gentleman would expect that to be done. I gave that merely as an absurd illustration to quickly make my point.

Mr. WHITTINGTON. The gentleman is not answering my specific question. If he does not want to answer it, let me answer it.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MONRONEY. Probably not over 2 percent of the veterans' preference material would be of the type used in flood control and highway construction, for most of that is heavy concrete and reinforced materials. They would not be used in building \$3,000 and \$4,000 homes.

Mr. WHITTINGTON. The gentleman has not attempted to answer my question, but the gentleman, with all due deference to him, is conducting himself like these czars that will have the right to fix priorities.

Mr. PATMAN. I am disappointed in the gentleman's not being willing to extend confidence to the man whom the President of the United States would appoint in such a great emergency and for such a great purpose. I am willing to permit him to have any power he needs, but I do not believe he should have too much power. Even though it should prove to be more power than he needed I feel he would not use it like a czar.

Mr. WHITTINGTON. It is just a question of not giving him what he ought not to have; and he ought not to have it according to the gentleman's statement.

Mr. PATMAN. I am willing to give the President's appointee any power he should have, and I am willing to give the veterans preference over everything that is not absolutely needed until we have taken care of their needs.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GAMBLE. He has that power now, has he not, under the President's directive and has not used it to take materials away from any other work.

Mr. PATMAN. The gentleman from Mississippi discusses an exception, not the general rule, just like the exportation of lumber. There are a lot of peo-

ple here who would put a clause in this bill absolutely to forbid the exportation of lumber. What are the facts? The facts are that we import three times as much lumber as we export. The lumber that we export is chiefly for the construction of railroads and trestles, and things like that, heavy construction; and the lumber that we import is for housing construction. If you follow up the lumber that we exported last year you will find that a large part of that lumber went to the islands for the purpose of protecting sugarcane and the sugar crop in order to preserve it and bring it back here to the States. We need sugar. Are you going to prevent the exportation of a small amount of lumber in order to save the sugar crop out on one or more of these islands? Why, of course not. It would be absolutely ridiculous, it would be absolutely silly; so this question of the exportation of lumber means very little and we would be harmed so much that it should not be considered, like the case of the gentleman from Mississippi, as a general rule, but, rather, as an exception. We have presumed, and I will ask the gentleman from Mississippi to presume, that the right thing will be done by the expediter. If it is not, President Truman will remove the expediter.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I do not want to trespass upon the gentleman's time, but it does strike me that the reasonable answer to my question is there should not be any conflict and that the heavy materials and equipment required for flood control and highways will not be necessary in the construction of these houses for veterans. I think that would have been the reasonable answer to my question.

Mr. PATMAN. Let me agree with the gentleman that that is right, like the exportation of lumber elsewhere. We export big, heavy materials for construction and we import housing material.

What is the object of the bill? The first is we have an expediter. He is given lots of power. Next, we give him the power to allocate materials. That is obvious. We want these materials allocated to the making of the greatest number of homes possible, the greatest number of places that veterans can buy or rent for shelter.

Next, there is preference to the veterans. Next the prices on old homes. I want to explain that prices on old homes.

I agree with the gentleman from Michigan that whenever you fix a price by saying that the first ceiling of that property or home after the law is passed will become the ceiling price during the emergency, a lot of inflation will be in that price because some of them will get twice as much as their place is worth. But if we do not pass a law they will get it just the same and if we pass the

law we will stop this spiralling inflation that we always have. After the last war a house sold for \$5,000, the next week it would be sold for \$6,000, the next week the agent came around and said, "I can get \$10,000." The same agent or same speculator would sell the same house a dozen times and make a profit every time.

Mr. Chairman, I can see why a speculator would be against this. The speculators do not want it. I do not say everybody is a speculator who does not want it, not at all, like my good friend, the gentleman from Georgia [Mr. Brown]. He is as honest and sincere about it as he can be. He is not a speculator. He has a conviction along that line. But I cannot see why a home owner should object. He can sell his house for any price that he can get after the law is passed. However, I can see where a speculator will object. It will keep these speculators from selling that house every week, and every month, and making a big profit on it. It will stop this spiral of inflation that we had after the other war.

In this bill there is provision also for prices on new houses. It is not hide-bound, it does not put a builder in a strait-jacket, by any means. Mr. Wyatt will be as lenient as he can in his rules and regulations. He is not a bureaucrat in the sense that the word "bureaucrat" is commonly used here on the floor of the House and elsewhere on the street. He wants to get a good job done, he wants to do a good job, and he is not going to tie people up in red tape. He is going to cut red tape, he is going to break bottlenecks, and if we give him the power to do it he will build 2,700,000 houses during this year and next year, including prefabricated houses and trailers. But, Mr. Chairman, we have a duty to perform here. Mr. Wyatt cannot do this job alone, neither can President Truman, unless Congress cooperates. Congress is not cooperating unless it passes a law that will give the President and Mr. Wyatt this power. Therefore, we can stymie the whole building program for veterans right here if we do not pass the right kind of a law.

After we have allocations, preferences, and prices on old homes and new homes, the gentleman from Oklahoma [Mr. Monroney] is going to offer an amendment for premium prices which he will explain to you. I think it should pass. It is a part of Mr. Wyatt's program. He says he cannot succeed without it, so let us give it to him. Let us not hold from him any power that he needs in order to build the maximum number of houses within the next 2 years. Let us give him all the power that he needs.

Mr. Chairman, I expect to offer an amendment providing for title VI. War houses were built under title VI. That is the best plan for mass production of homes. Title VI, I think, should be in this bill, and I expect to offer an amendment for that purpose. This is not governmental interference. This is governmental protection, that is all it is. We are not interfering with the veterans. We are protecting the veterans against ruinous inflation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understood the gentleman correctly, he informed the gentleman from Virginia [Mr. Smith] that the bill as here submitted by the committee gives the Administrator or Director or Expediter the power to override the rulings of OPA. Where in the bill can we find that item?

Mr. PATMAN. In connection with housing.

Mr. CRAWFORD. Where is that in the bill?

Mr. PATMAN. He has the right to issue directives and establish any policy that he wants to. It is in the bill.

Mr. CRAWFORD. I would like to have the gentleman point that out in the bill so we will have the language in the RECORD tonight.

Mr. PATMAN. It certainly is in there. I do not know where it is, but I know it is written in there.

Mr. CRAWFORD. That is a very important phase of this discussion.

Mr. PATMAN. All right. H. R. 4761, page 3, line 20, reads:

The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title. In order to carry out this program, the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

Insofar as housing is concerned, he is the over-all expediter and administrator.

Mr. CRAWFORD. Then it is upon that language that the gentleman relies for the power of the expediter?

Mr. PATMAN. I think there is other language in here, too, but I just happened to remember that.

Mr. CRAWFORD. I want the gentleman to point that out. I understood the gentleman to say that this bill gives the expediter power to override the rulings of the OPA.

Mr. PATMAN. Does the gentleman want him to have that power?

Mr. CRAWFORD. The gentleman has made the statement, and I want him to show us where it is.

Mr. PATMAN. The gentleman yields me 2 minutes, which is insufficient.

Mr. CRAWFORD. The gentleman can put it in the extension of his remarks. That is all I am after.

Mr. PATMAN. All right.

I am inserting herewith a statement relative to lumber exports. It is as follows:

1946 LUMBER EXPORT ESTIMATES
(From the Civilian Production Administration)

To date, only requirements for the first quarter of 1946 have been agreed upon. Under export procedure, exporters submit their requests to the Office of International Trade of the Commerce Department. The OIT screens these requests, then submits them to the Civilian Production Administration for further study. The CPA considers the requests in the light of how much the export

will hurt the domestic situation, and what types of lumber are included. Then CPA approves the licenses on that part it thinks should be estimated.

However, due to shipping difficulties, cancelled shipments, the stringency of licensing, not all of that approved by CPA actually gets shipped.

For the first quarter of 1946, exporters submitted requests to the Office of International Trade to ship 1,070,000,000 feet of lumber abroad. Most of this was for railroad ties, construction, etc.

The OIT screened these requests down to 320,000,000 board-feet.

Finally the OIT recommended to the CPA that only 295,000,000 feet be shipped.

The CPA cut this total further and approved shipments totalling 225,000,000 feet.

Of this, export licenses were granted to cover only a total of 190,000,000 feet.

John Small, CPA Administrator, estimated that based on last year's experience, only about 150,000,000 feet actually would be shipped.

So that out of original requests of 1,070,000,000 board-feet, only 150,000,000 feet actually will be sent abroad.

Against this figure, imports during the first quarter are expected to total 250,000,000 board-feet, about 100,000,000 feet more than exports. I do not have exact percentages, but CPA says a far greater portion of the import lumber is suitable for construction of homes than that which we export.

Total United States lumber production during this period, the first quarter of 1946, is estimated at 6,250,000,000 feet.

Also figures on exports and imports of lumber for 10 years:

United States lumber production, exports and imports, 1935-45

(In thousand board feet)

Period	Production ¹	Exports		Imports		
		Total ²	Percent of production	Total ²	Percent of production	Percent from Canada
1935.....	21,832,833	1,301,384	5.97	433,017	-----	80.0
1936.....	27,626,440	1,272,147	4.61	662,264	-----	80.0
1937.....	29,003,953	1,413,852	4.83	686,629	-----	84.3
1938.....	23,413,497	947,641	4.05	529,116	-----	91.1
1939.....	23,581,705	1,050,053	3.67	707,172	-----	92.7
5-year total.....	130,458,428	5,985,117	4.59	3,023,193	2.32	86.0
Average prewar year.....	26,091,686	1,197,003	4.59	604,640	2.32	86.0
1940.....	31,159,126	850,046	2.72	724,257	-----	91.4
1941.....	36,537,628	572,003	1.59	1,349,999	-----	93.0
1942.....	36,332,248	357,488	.98	1,510,261	-----	95.2
1943.....	34,283,757	268,253	.78	839,194	-----	87.5
1944.....	32,553,901	325,577	1.00	977,994	-----	90.0
5-year total.....	170,871,661	2,373,972	1.39	5,401,705	3.16	92.0
Average war year.....	34,174,332	474,795	1.39	1,080,341	3.16	92.0
10 months, 1944.....	27,867,012	264,109	.95	817,504	2.93	88.7
10 months, 1945.....	24,630,975	310,330	1.29	851,729	3.54	90.3
Estimated, 1945.....	27,500,000	375,000,000	1.36	1,040,000,000	3.80	91.0

¹ Compiled by Lumber Branch, CPA.

² U. S. Bureau of Census.

³ Of this amount 66,432 was southern pine.

⁴ Of this amount 67,656 was southern pine.

NOTE.—Includes sawn timbers, boards, planks, scantlings, small hardwood, dimension and hardwood flooring.

Source: Civilian Production Administration, Lumber and Lumber Products Branch, Export Import Section, Dec. 26, 1945.

PRESIDENT TRUMAN'S STATEMENT ON MR. WILSON WYATT'S HOUSING PROGRAM

STATEMENT BY THE PRESIDENT

(February 8, 1945)

When I called Mr. Wilson Wyatt to Washington, I gave him only one instruction: "to make no little plans."

For 5 weeks Mr. Wyatt has been hard at work preparing his plans in consultation with all Government agencies concerned and with the principal business, labor, and veterans' groups involved.

He has recommended a veterans' emergency housing program which is bold, vigorous and eminently practical. It has the complete and unqualified support of the administration. All agencies of the Government are directed to use every resource at their command to fulfill this program. The Budget Director has of course been asked to review the Budget recommendations in the light of the new housing proposals.

I urge the Congress to enact promptly the legislation necessary to carry out the program.

I call upon every public-spirited organization to muster its forces behind the program. I ask each community leader, each citizen, to do his utmost to make the plans a reality in his community.

FEBRUARY 7, 1946.

THE VETERANS' EMERGENCY HOUSING PROGRAM

A REPORT TO THE PRESIDENT FROM THE HOUSING EXPEDITER

DEAR MR. PRESIDENT: On January 2 I came to Washington at your request to study the

critical housing shortage which confronts America today and to recommend and execute a plan of action. In the past 5 weeks I have met with more than 30 groups from industry, labor, veterans, and Government. I have listened closely to their recommendations, and I have examined the principal available data.

Two sobering and inescapable facts emerge from this study in bold relief:

First, there is an urgent need for some 3,000,000 moderately and low-priced homes and apartments during the next 2 years.

Second, we can meet this need only by bringing to bear the same daring, determination, and hard-hitting teamwork with which we tackled the emergency job of building the world's most powerful war machine 4 years ago.

When, in a recent radio message to the American people, you called for the immediate production of an unprecedented number of homes, I could not help but recall the goal of 50,000 aircraft which President Roosevelt set in the early days of the war. Though many people considered it impossible, that goal and others like it were achieved and passed.

We met in full our obligation to our men and women in uniform.

To meet our obligation to those same men and women in civilian life, we will need the same drive and ingenuity on the part of American business and American labor and the same Government stimulus and financial assistance that made possible the miracle of war production in that earlier emergency.

Our sights must be raised far above the present target of four or five hundred thousand homes in 1946.

I am therefore recommending that the following program of emergency measures be put into effect immediately:

1. Construction of 2,700,000 low and moderate cost homes must be started by the end of next year. The target for 1946: 1,200,000 homes started, of which 700,000 will be conventional houses; 250,000 permanent prefabricated houses, and houses assembled on-site from prefabricated parts and materials; and 250,000 temporary units. The target for 1947: 1,500,000 homes started, of which 900,000 will be conventional houses; 600,000 permanent prefabricated houses and houses assembled on site from prefabricated parts and materials. (The previous all-time high was 937,000 homes in 1925; in 1945, only 240,000 homes were built.) Except for 200,000 units of temporary re-use war housing and 50,000 new trailers all of these will be permanent homes. On the assumption that the recommended legislation is authorized promptly the program should move into high gear by the end of the first quarter of 1945. Within 2 years from that time the urgent need figure of some 3,000,000 homes should be met under this program.

2. Preference for veterans and their families in the rental or purchase of these homes with appropriate provisions for nonveteran hardship cases.

3. Greatly expanded production of conventional and new type materials obtained by firm and timely use, where necessary, of: (a) premium payments for increased production; (b) guaranteed markets for materials manufacturers; (c) priorities and allocations of equipment and materials; (d) wage-price adjustments, or price increases where they are necessary and not inflationary; (e) use of war plants and new facilities to increase present production capacity; (f) rapid tax amortization for plants which are newly built or converted to produce essential building materials; and (g) absorption by Government of undue risks in developmental work on new type materials.

4. Recruitment and training of 1,500,000 additional workers on-site and off-site by the middle of 1947. This means more than tripling the present labor force engaged in residential construction.

5. Postponement of all deferrable and non-essential construction for the balance of 1946 to release needed materials and labor for veterans' homes and for essential and non-deferrable projects.

6. Rapid expansion of factory fabrication of materials and parts, as well as complete low-cost homes by making materials available and guaranteeing the market for the product.

7. Priorities and allocations to home builders for equipment and materials.

8. Federal cooperation and assistance where necessary in the development of home sites.

9. Channeling the largest part of materials into homes and rental housing, both farm and urban, selling for not more than \$6,000 or renting for not more than \$50 per month.

10. Curbing of inflation through more effective price control on building materials, ceilings on new and existing homes, and on building lots, and through the continuation of rent controls.

11. The early adoption of S. 1592, the Wagner-Ellender-Taft bill.

12. Insured mortgages on low-cost homes up to 90 percent of value and based on necessary current costs.

13. New temporary legislation to support the program, including \$250,000,000 for temporary re-use war housing.

14. Community participation paralleling Federal action through emergency housing committees in cities and towns throughout the country.

15. The Reconstruction Finance Corporation to play a major role in financing the program. In addition, authorization from Congress will be required immediately to provide \$600,000,000 for premium payments.

I believe that the success of a program of this magnitude will depend on several basic elements of policy which must influence every step that is taken.

Private enterprise must assume the leading role in this task as it did in the task of war production. And to that end the building industry and financial institutions must be relied upon as the mainstay of the production program. In addition, industry is entitled to a fair return for all-time record production of good materials and good homes at low prices.

Labor is entitled to a fair return for its share in the task. And that means higher wages in some contributing industries where workers have been historically low paid.

It will take a dynamic program to achieve this goal. Neither business as usual, labor as usual, building as usual, nor government as usual will suffice.

THE SIZE OF IMMEDIATE HOUSING NEEDS

The present housing emergency is the culmination of more than 10 peacetime years and 4 war years during which an inadequate number of new homes has been constructed.

In October 1945, 1,200,000 families were living doubled up with other families. At that time the situation was critical. It is rapidly becoming worse. The following table shows with shocking clarity that even without reducing the number of families which were doubled up October 1945 we would have to build approximately 3,000,000 new homes by the end of 1947 just to keep the situation from becoming worse:

Families living doubled up with other families in October 1945—	
at least	1,200,000
ADD	
Married veterans who will be needing homes by December 1946—	2,900,000
Nonveterans marrying who will be needing homes by December 1946	560,000
Total	3,460,000
SUBTRACT	
Existing vacancies and new vacancies occurring during 1946 as the result of deaths and dissolutions of families	945,000
Additional families needing homes by end of 1946	2,515,000
Additional families needing homes by end of 1947 (1,110,000 new families less 430,000 vacancies occurring as the result of deaths and dissolutions of families)---	680,000
Total need by end of 1947—	
with at least 1,200,000 families still doubled up—	3,195,000

Our target is 2,700,000 homes and apartments started by the end of 1947.

Approximately 1,200,000 must be started in 1946. Of these, some 700,000 will be conventional houses; 250,000 permanent prefabricated homes and homes assembled on the building lot from prefabricated parts and materials; and 250,000 temporary units. (Two hundred thousand temporary re-use war housing and 50,000 trailers.)

Approximately 1,500,000 homes must be started in 1947. Some 900,000 of these will be conventional homes and 600,000 will be permanent prefabricated homes and homes assembled on-site from prefabricated parts and materials. No temporary units will be built under this program in 1947.

In my judgment we can hit this target. We must—unless we are to fail in our duty to the veterans. Without bold, emergency

action I am convinced that only about four hundred to five hundred thousand new homes would be built in 1943.

It will take time, under any program, to produce materials and to build houses in quantity. Because the program will start slowly and will speed up as materials and manpower become available in greater quantity, each month's delay in getting under way in 1943 will mean a loss of about 75,000 units, a number equal to almost one-third of the 1945 production of homes.

During the past few weeks I have heard the fear expressed that gearing our building industry to meet the present emergency will result in an over-expanded industry. The facts contradict this far. The figure of some 3,000,000 homes needed by the end of 1947 does not take into account the more than 10,500,000 homes which are substandard and which must and can be replaced in a healthy, full production economy. Each year, in addition to the existing substandard dwellings, about 200,000 additional units drop into the substandard class or are destroyed. Approximately 400,000 net additional new families are created each year. These figures do not include farm homes or the temporary housing which was built during the war and which must be replaced.

THE PROBLEM OF MATERIALS

Increasing the flow of building materials is the essential first step in meeting the problem. Necessary restrictions through the war years have closed down many mills and factories; production in others has been severely curtailed. Inventories of all building materials have been sorely depleted.

These conditions mean that shortages of materials would be encountered even in building the 400,000 to 500,000 homes previously contemplated for 1946. The proposed Veterans' Emergency Housing program tremendously increases this problem.

For example, in 1945 residential construction consumed about \$400,000,000 of building materials. In 1946 this program will require \$2,000,000,000 of building materials, and in 1947 it will require \$3,250,000,000. This represents an eight-fold increase in requirements between last year and next year.

Requirements of all materials and supplies—lumber, brick, wall board, lath, cast-iron soil pipe, electrical, plumbing, and heating supplies, roofing materials, and others—far exceed foreseeable production unless emergency action is taken.

These materials deficits must be made up by greatly expanded production of conventional materials and by the use of new types of materials. The possibilities in this direction are significant. The use of metal window sash and framing instead of lumber has already been introduced. Composition and plastic materials are available for flooring to supplement scarce seasoned hardwoods. Pre-assembled unit bathrooms and kitchens can economize both material and manpower. Examples of this sort can be multiplied.

To achieve the necessary expansion, both of conventional and of new-type materials, three fundamental steps are called for:

1. All existing plants must be brought to capacity operation as speedily as possible.
2. Unused war plants and facilities must be converted for the production of new as well as conventional materials.
3. Beyond this, new capacity must be built to the degree necessary to meet the requirements of the program.

The additional cost and risk of expansion, whether through increases in output or additions to existing plants, conversion of old ones, or construction of new ones, must—when clearly necessary—be shared by the Government just as it was during the war. This requires more rapid than usual amortization of the plant for tax purposes; Government underwriting of sales of new-type materials at prices sufficient to cover develop-

mental costs; adequate short- and long-term Government credit, where private capital is not available, and premium payments in selected cases for increased production of conventional and new-type materials, achieved over and above a carefully selected base period. Premium payments will also be necessary in cases where production costs rise due to the payment of overtime or the addition of another shift.

Such premium payments will bring production to a high level without increasing the cost of the completed house to the veteran.

The total national outlay for materials for the housing program will be about \$2,000,000,000 this year and about \$3,250,000,000 in 1947. Of the 2-year total of \$5,250,000,000, \$4,250,000,000 will probably be spent for conventional materials. While it is impossible at this time to determine accurately how much will be needed for premium payments, it is estimated that about 10 percent of the total national outlay for conventional materials or approximately \$400,000,000 may be required.

Premium payments from this fund will be made selectively. Increased production of some materials can be secured without such payments; for others a slight additional payment will be sufficient; in a limited number the premium will have to be substantial to secure the needed output.

In addition to premium payments for conventional materials we must recognize that proportionately greater risks will be encountered in production of new materials. One billion dollars' worth of new or substitute materials will be required. It is estimated that approximately 20 percent of the amount or \$200,000,000 will be required to encourage increased production.

THE PROBLEM OF MANPOWER

Serious manpower shortages will have to be overcome if we are to attain our goal of 2,700,000 dwelling units by the end of 1947. There are at present 650,000 workers employed (both off-site and on-site) in producing homes. To meet our goal, a peak of 2,150,000 workers will have to be on the job—1,150,000 actually constructing houses and 1,000,000 at work producing and distributing the materials going into home building. This means that by mid-1947 we must have more than triple the number of workers presently engaged in the industry.

Vigorous action will be needed to attract an additional 1,500,000 workers. Recruiting programs pointing up the long-term prospects of a revitalized industry will have to be started at once. Veterans should be given every inducement to participate. A large scale apprentice program should be undertaken promptly to produce the skills that are necessary.

Wherever wages in industries producing materials are abnormally low and stand in the way of recruiting the necessary manpower, wages will have to be raised. In specific cases where it is absolutely necessary, wage increases will be cared for by premium payments in order to stimulate maximum production.

CONSTRUCTION TO MEET THE NEEDS

No matter how successful we are in stepping up the supply of materials and in training and recruiting manpower, the most vigorous and imaginative measures will be required in the construction industry itself to build 2,700,000 homes in less than 2 years.

In 1943 we cannot escape the use of converted barracks and the movement and reuse of surplus temporary houses. These are not the kind of homes people like but in the present emergency they are acceptable. It should not be necessary to provide any more of them in 1947. They will be located on publicly owned land and will be torn down as soon as the increase in the supply of permanent homes makes their use unnecessary.

Both the construction industry and labor groups must gird themselves for far greater effort than ever before. The Nation expects maximum efficiency from both industry and labor to reduce housing costs. Our target of 1,500,000 homes to be started in 1947 is more than twice the production in 1941, when 715,000 units were built. And it far exceeds the record of 1925, the biggest home-building year in our history when 937,000 units were built.

In order to meet our goal, we must step up conventional construction. This will be facilitated by utilizing some of the improved techniques developed during the war emergency. Under pressure of war needs, some of the leading builders pioneered in mass production methods and on-site fabrication. As a result they were able to accelerate and increase construction and to reduce costs. We will need more widespread use of these mass production methods in conventional building. We will gain great advantages from the use of prefabricated parts for houses, such as complete bathroom and kitchen units, as well as new types of materials. The ingenuity of the industry should extend and improve these methods to meet the needs of this program.

A job of this magnitude is going to require the best efforts of the entire building industry including both large builders and small, both builders of apartment houses and large developments and builders of individual homes. Large scale production of materials will enable the big builders to go ahead rapidly with the larger housing developments. And at the same time, it will assure the small builder, both rural and urban, that he will get his share of materials.

While we must depend for the bulk of our homes on building by conventional methods, we will also need to stimulate a large program of factory fabrication of homes. Increased emphasis on factory fabrication is also important from the point of view of manpower since this method requires a smaller percentage of highly skilled workmen. Greater reliance can thus be placed on semi-skilled and unskilled manpower which can be quickly trained. This is essential since the magnitude of this program cannot be met even by the use of every skilled worker who can be recruited or trained. Furthermore, it is expected that greater production of lower-priced homes may be achieved.

A factory prefabrication program lends itself to the use of surplus plants, as well as assuring the full utilization of the existing prefabrication industry. The program is also well adapted to the use of substitute materials.

This program for factory fabrication contemplates the development of permanent homes which will meet accepted standards.

In addition to a shortage of materials, a serious obstacle in the way of the production of 250,000 prefabricated units this year and 600,000 in 1947 is the industry's lack of distribution facilities. The fact that manufacturers do not have established sales outlets tends to keep production down.

Under these circumstances we must encourage private firms to go into this field and do the job, with the Government assuring them of a market for the houses they build. This can be accomplished by giving a Government purchase contract to producers who sell new-type houses through normal private channels of distribution. To qualify for such a purchase contract assuring full capacity operation, the producer should establish that:

1. He is prepared to produce a house which has been approved by the Government as meeting sound and tested standards of safety, durability, livability, and health.

2. The house will be sold in the lower-priced field at approximately \$3,500 for a one-bedroom house plus approximately \$500 for each additional bedroom (f. o. b. plant, including the necessary equipment, but excluding the cost of land and erection).

3. He had formulated an effective plan for distribution and erection which will be placed into operation to insure that houses will be put up promptly.

4. He can and will produce a specified number of houses for the 12 calendar months after the date of the Government purchase contract which assures him of a market.

Under the purchase contract, the Government will take delivery of the houses only when the producer is unable to market them within a reasonable period following their production. In that case, the Government will dispose of the homes for use in veterans' housing, in the same manner that it now disposes of surplus property of the Government. Some loss may result from this program, but the amount of that loss is expected to be relatively small in relation to the size of the program and to the benefits to be derived.

It should be recognized that conventional builders and construction workers will not only have to do their regular job of home building, but will also have to play a big part in the erection of factory fabricated houses. Thus, the building industry is assured of a leading role in the emergency job. In addition, we can create in a brief period a mass production building industry comparable in size, in opportunity for investment, and in employment with the automobile industry of the twenties.

LAND AND FACILITIES

The Veterans' Emergency Housing Program contemplates building a larger number of homes during the next 2 years than in any comparable period of our history.

As manpower and materials become available sufficient number of lots must be ready, so that veterans' housing may go forward without delay. The number of lots improved with sewer, water, and other facilities is far short of the requirements for the housing program. Vigorous action of all concerned will be required to overcome this shortage.

While it is clear that the central responsibility in this problem rests with the community, it may prove necessary for the Government to assist in providing facilities and in the development of sites.

POSTPONEMENT OF DEFERABLE AND NON-ESSENTIAL CONSTRUCTION

It will be impossible to achieve our housing goal for the year 1946 without diverting critical materials and manpower from deferable and nonessential construction, both public and private. Only in this way can we secure an immediate expansion of essential residential construction. It will be a matter of months before we can effectively expand material capacity and recruit and train needed manpower. In the meantime, the deferral of the less essential projects provides the one immediately available source of manpower and materials. It is hoped that the materials and manpower shortage will ease sufficiently by the end of 1946 to permit the relaxation of restraints on nonresidential construction. The determination of what constitutes essential and nondeferable construction must be made in terms of well-defined standards and administered on a decentralized basis with the advice of local communities. Appeals from decisions made locally will be reviewed in Washington.

HOMES WHICH VETERANS CAN AFFORD

Recent surveys conducted by the War Department at separation centers reveal that most veterans expect to be able to pay less than \$50 monthly for the rental or purchase of a home. A large proportion of these veterans plan to rent rather than purchase homes.

This makes it clear that while there are definite advantages in retaining the present price ceiling of \$10,000 (and rental ceiling of \$80) on new construction, the largest part of residential building materials must be channeled, through priorities and allocations,

into homes selling for \$6,000 or less including land, or renting for not more than \$50 per month.

To provide moderately priced homes with a maximum of rental units, it is necessary for the Government to offer greater incentive for the building of such housing. This can be achieved by insuring mortgages on low-cost homes for builders to the extent of 90 percent of value. Furthermore, such mortgages must be based on necessary current costs of construction rather than on long-term economic value, and they should be amortized over a long period. These techniques were successfully followed during the war under title VI of the National Housing Act.

The Government can further reduce financing costs by lowering interest rates on insured mortgages and providing other aids to home purchasers.

A complete plan must also include aid for the expansion of the housing program for families of low income, with preference to veterans.

THE DANGER OF INFLATION

An inflationary spiral would be fatal to the housing program. By creating uncertainties it would impede production and lead to inventory hoarding and speculation. It would result in such high prices on homes as to put them completely out of reach of veterans' incomes.

Prices of building materials have already risen 35 to 40 percent above prewar levels. We cannot afford any further rise. Houses are being sold at prices in many cases far above even today's increased costs of replacement. Here again we cannot afford any further rise. Many who want to rent are forced instead to buy at inflated prices. An inflation of housing costs like that which followed the last war would inevitably put prices beyond the reach of millions of veterans and others and would prevent a sustained high level of construction activity.

To curb inflation, the Government must use its present powers to the full, including strict control over prices of materials, and the continuation of rent controls. Legislative authority is needed for ceiling prices on old and new housing and on building lots in urban areas.

COMMUNITY ACTION

No program of this magnitude can be directed from Washington alone. We are going to need the advice and active participation of courageous community leaders in cities and towns throughout the country.

During the past few weeks I have had several meetings with representative mayors and governors, many of whom already have well-developed programs of local action. Together we have mapped out uniform plans for further activity to tie in with the veterans' emergency housing program.

As a first step we agreed that local emergency housing committees should be formed wherever they do not already exist. These committees will be composed of representatives from local government, veterans, labor, builders, building materials producers, financing institutions, chambers of commerce, and other interested groups. The basic purpose of these committees will be to clear away obstacles which might impede the progress of the local housing program.

They will:

1. Undertake to assure first preference to veterans on existing houses offered for rent or for sale.

2. Develop temporary home-sharing programs for veterans.

3. Aid in securing the extension of emergency building codes and the modernization of existing codes.

4. Encourage conversions to provide additional dwelling units.

5. Speed up inspections and issuance of building permits by local authorities.

6. Provide sites for Army and Navy barracks which can be demounted, transported, and converted at Federal expense.

7. Discourage black market activity in building materials and in rents and support price ceilings.

8. Assist in recruiting and training labor.

9. Break local bottlenecks in building materials.

10. Establish centralized information centers to refer veterans to available housing.

11. Assist in arrangements for adequate transportation and services for new developments.

12. Help prepare land and facilities to accommodate new dwellings.

In many instances States will find it necessary to adopt legislation which will expedite the veterans' emergency housing program.

LEGISLATION REQUIRED

Existing laws do not provide sufficient authority to enable us to achieve the objectives of this program. The prompt passage of additional legislation is imperative.

We must have legislation promptly which will:

1. Provide funds for premium payments to secure increases in production of conventional and new types of building materials. Authorizations of \$600,000,000 are needed for the purpose.

2. Make funds available to the extent necessary to stimulate technical research into new construction methods and materials by private research groups and to absorb certain developmental costs involved in devising new materials or new methods.

3. Permit the rapid tax amortization of new plant facilities which produce new materials or manufactured homes.

4. Permit the construction of additional rental units and low-cost homes through insured mortgages up to 90 percent of value and recognizing the necessary current costs.

5. Extend to December 31, 1947, the authority for priorities and allocations.

In addition to these measures which are needed to increase and accelerate the construction of permanent housing, legislation is needed which will:

(a) Provide 100,000 additional temporary housing units required to meet the most urgent needs for veterans' housing in cities and in colleges. This additional housing should be provided through the reuse of surplus Army and Navy barracks and other temporary housing. The relocation and conversion of these structures to dwellings requires a minimum of new materials. An additional appropriation of \$250,000,000 is needed for this purpose.

(b) Stop inflation in the prices of homes through price control on housing and housing sites. While production is the long-range solution for inflation, we should protect the veteran against excessive prices if he buys a home now.

(c) Extend the necessary financing and other aids provided in S. 1592 (the Wagner-Ellender-Taft bill), to make decent homes available for families of all incomes within their means. This would include the expansion of sound Government insurance of mortgage loans to encourage housing for families of moderate income and necessary aid for the expansion of the housing program for families of low income.

The permanent housing legislation recommended in your recent message on the State of the Union is essential to achieve emergency housing objectives, while at the same time it launches the comprehensive action required to meet our basic housing problem.

Mr. President, you asked me to prepare a bold and realistic plan to meet the pressing housing needs of our veterans.

This is that kind of plan. It is attainable.

This is a plan to meet an emergency which has grown out of the war just as surely as did our need for 50,000 aircraft in 1942. I believe that Americans will face this task

in the same spirit in which they faced the fighting part of the war. I believe that the veterans will get their homes.

WILSON W. WYATT,
Housing Expediter.

The Washington Post of February 24, 1946, contained an interesting editorial on subsidy retention. It is as follows:

SUBSIDY RETENTION

With extreme reluctance we are forced to support Mr. Bowles' appeal for an extension of food subsidies for another year. Last fall, when Secretary of Agriculture Anderson was looking forward to speedy elimination of all food subsidies, we rejoiced at the prospect. We pointed out at the time that extensive employment of food subsidies is incompatible with maintenance of a free economy and that controls over production and prices are indispensable accompaniments of a subsidized food program.

However, it was then believed that the pressure on food supplies and prices, following cessation of hostilities, would be greatly relieved, making it safe to abandon these wartime emergency production aids without inviting a sharp rise in prices and living costs. Unfortunately the optimistic forecasts of a few months ago have not been realized, as President Truman confessed in his budget message. Instead of an anticipated decline in retail food prices, the pressure on price ceilings has increased. To remove subsidies that enable ceiling prices to be maintained without unduly squeezing the producer would necessitate advances in the prices of such essential foods as meats, butter, milk, bread, sugar, and other products. It is officially estimated that the food cost of living index would, as a result, increase by more than 8 percent.

Despite the strong objections in principle to continuance of subsidy payments, it is not feasible to dispense with them under present conditions. Rising labor costs of production have already made it necessary to liberalize pricing formulas and raise ceiling prices on numerous articles. It will be extremely difficult to hold the new price line even under reasonably favorable conditions. If a further sharp rise in living costs were to result from sudden wholesale abandonment of subsidies, we think Mr. Bowles is justified in concluding that it would set off a new cycle of wage increase demands and wreck the control system.

It seems expedient, therefore, to delay action and gradually reduce food subsidies as inflationary pressures subside and production costs begin to decline. Delaying action of this sort is politically dangerous, because subsidies are like protective tariffs: people cling to them long after they have ceased to fulfill their purpose. But the subsidy program is, after all, an integral part of the food-control program. Hence we cannot risk discarding it, so long as the danger of inflation remains and the need for price control continues to be felt.

I am inserting herewith an editorial from the Washington (D. C.) Post of Friday, February 22, 1946:

"CEILINGS" ON HOMES

Much of the opposition to establishment of so-called ceiling prices on existing homes comes from a misunderstanding of what is intended. There was talk some months ago of trying to fix a ceiling for each house on the basis of its intrinsic value or a recent sales price if it changed hands. That idea was discarded because of the obvious impossibility of administering it satisfactorily. What is now proposed is an attempt not to fix ceiling prices on individual homes but merely to ban speculative resales.

Under the amendment which Representative PATMAN intends to offer to his housing bill when it reaches the floor of the House, no limit would be imposed on the price at which a home owner could dispose of his

house on the first turn-over. Mr. PATMAN explained the other day, "anybody could sell his home at any price." Once a sale had been made, however, the price paid would become the ceiling price of the house in question. Speculators could not continue to boost the price of real estate by selling the same dwelling over and over again at higher prices each time.

This is not only a sensible arrangement but also an essential safeguard for the protection of returning veterans and others who must find shelter. It would not penalize the home owner. He would not be compelled to accept 1939 or 1941 values for his home. Any attempt to push values down to a predetermined level would merely discourage sales and leave returning veterans and other home seekers in a worse position than they occupy today. What is desired is a normal turn-over of real property without speculative boosting of prices to a level that would be conducive to a crash later on. That is precisely what the proposed ban on speculative resales would do. This provision was in the Patman bill when it went before the House Banking and Currency Committee. We suspect that the committee's action in eliminating it may have been influenced by misunderstanding or prejudice carrying over from previous unwise price ceiling proposals. In any event, we hope that the House and Senate will accept the ban on speculative resales as a happy substitute for unworkable price ceilings on homes.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BRUMBAUGH].

(Mr. BRUMBAUGH asked and was given permission to revise and extend his remarks.)

Mr. BRUMBAUGH. Mr. Chairman, the need for immediate relief from the housing shortage is one of the most urgent problems confronting Congress and the American people. The plight of returning veterans in being unable to obtain suitable living quarters is a challenge to our Nation and borders upon ingratitude to the defenders of our flag. In short, it reveals us as being tardy in recognizing an obligation that we cannot in good conscience refuse to meet with positive and effectual action.

However, I am opposed to the plan of granting subsidies to the housing industry because I am convinced that such procedure is unnecessary and economically unsound. We can avoid such indirect deficit financing if we meet the underlying cause for the housing shortage by removing the bottleneck of scarce building supplies through proper attention to the need for price-control relief in deserving cases. The private building industry is fully able to cope with the housing problem if given assistance by removing the shackles imposed upon it by OPA directives.

The payment of subsidies as a means of keeping prices down is nothing short of a mirage because the public eventually pays in the form of increased taxes as the total is added to our growing national debt. If subsidies were to aid the low-income groups and assist veterans, there would be logic in approving such a proposal. However, the proposed subsidy payments will benefit the entire populace, and even includes factories, office buildings, and residences of those

considered to be in the upper strata of social life. Restore the normal flow of building materials and supplies and there will be no need to saddle the American taxpayer with the cost of a subsidy program that is impractical and unsound.

Furthermore, the subsidy program is designed to aid in the building of houses that from the standpoint of being sturdy and practical serious doubt is entertained. To aid in such "mushroom construction methods" will only contribute to future slum conditions and morally we will be guilty of short-changing our veteran population by sacrificing veterans on the altar of expediency. Our veterans when they build homes are entitled to the best possible houses of the sturdiest construction and their credit dollars should not be exchanged for a "House built upon the sands." From a purely administrative standpoint the task of allocating subsidy payments assumes monumental proportions and reveals the necessity of further extending the evils of bureaucracy to the housing field. It is not difficult to understand the delay and inefficiency that will result from attempting to administer the subsidy program which should be discarded for the more practical plan of affording regional price control relief in the various States based upon local conditions.

The granting of subsidies to the building trade would bring about mass production of prefabricated homes and would have a tendency to destroy the small business in practically all the local communities. When the present emergency program is terminated these communities would be left without any local building industry which would work a definite hardship because there would be no one to take care of repairs and the additional building that would be essential as the community's population increased.

In addition, to place ceiling prices on newly constructed homes instead of serving the purpose for which this bill was originally drafted it would simply mean that most of these local builders would find it practically impossible to keep within a fixed ceiling unless they would use inferior material. Inasmuch as there is now a ceiling on every item used in the building of homes to place a further ceiling on building would mean that ceilings would have to be placed on wages and I am sure Congress would be opposed to such a measure.

I am in favor of utilizing existing public housing units as a means of temporary relief from the present situation as such buildings should be made available for occupation during the present emergency. However, the private building industry should not be hampered in its efforts to attain full production, because any encroachment in that particular field will prove detrimental to the thousands of skilled craftsmen who have spent years in learning their respective trades and upon whom we can depend to construct housing units that are sturdy and practical and which will stand as monuments to the genius of American labor.

Another important reason for removing current restrictions on the private building industry is the fact that the

manufacturers of building materials and equipment, together with the skilled craftsmen who fashion these materials into practical and sturdy homes, represent an important segment in small business circles in America. Since small business concerns are the backbone of our industrial and commercial life, it is shocking to our national conscience to even meditate upon the adoption of any program that would stifle production and retard the normal expansion of such an important phase of our national economy.

Instead of an increase in the building of homes for veterans, if this law is enacted, a heavy burden will be placed on the local builders, which will mean fewer, rather than more, homes. I am of the opinion that these regulations will either place the building of homes in the hands of large industrialists on a mass-production basis or force the Federal Government to attempt to solve the housing problem by creating additional Government bureaus.

I have unbounded faith in the genius of American industry and labor because this twin combination startled the world by its concerted efforts in establishing production records during wartime that staggered the imagination and won world-wide acclaim. In peacetime private industry can meet the challenge if given an opportunity to do so, and it is our obligation to see that no hastily conceived legislative proposals are allowed to impede the building industry in its efforts to give account of its stewardship to the American people.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. BUFFETT].

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. BUFFETT. Mr. Chairman, no oratory is necessary to emphasize the current need for housing.

The question is what can this House intelligently do to remove the barriers that are preventing large-scale home building for veterans?

Everyone is in favor of temporarily channeling a large percentage of necessary building materials into homes selling under \$10,000. But some allowance must be made for both farm repairs and urban maintenance and additions to existing residential units. Beyond these items, it would seem that industrial, commercial, and public construction should be held to a minimum.

There is general agreement that veterans should have substantial priority in the purchase or rental of new residential units.

There is general agreement that the necessary channeling and priority powers shall be extended for a period beyond June 30, 1946.

Beyond these points are two important areas of dispute. One is over the proposal for fixing ceiling prices on existing houses. That radical move demonstrates the panicky state of mind of the inflation-spenders who now hope to evade inflation by outlawing its symptoms.

The other scheme is the demand for a vast outlay of subsidies, aggregating at the start \$600,000,000, for the alleged purpose of accelerating the production of building materials and housing.

Mr. Speaker, this housing emergency is not just a "war baby." The testimony before the committee indicated otherwise. OPA "too-little too-late" delays and bungling in the price fixing of building materials has multiplied the intensity of our house-building problem.

Let us take a quick look at how OPA has hamstrung the production of building materials. Last June 4, during the House hearings on the extension of OPA, Mr. Bowles made this flat statement: "We must in no event stand in the way of production." That was the promise. What was the performance?

In March 1945 the brick industry, with hundreds of plants closed, asked OPA for a price increase. It was six long months, to September, before a price increase was granted. The price increase was mostly passed along to labor, and in 2 months production was up 30 percent.

If the OPA had acted on this price request promptly, there would be no shortage in the supply of brick in the United States today. Measure that performance against Mr. Bowles' promise, "We must in no event stand in the way of production."

The clay sewer-pipe shortage represents another critical problem. Here again 6 months elapsed between the application for a price adjustment and the date OPA finally acted.

Enameled plumbing fixtures are short. Three months elapsed in this industry before a price adjustment was acted upon. In brass plumbing fixtures, it took OPA 4 months to act when the producers asked OPA for action.

In coal furnaces and air conditioning 5 months have elapsed since the application for price relief was made and still no action is reported, but Mr. Bowles says, "We must in no event stand in the way of production."

In millwork over 18 months were required to induce the OPA to permit adjustments in individual company prices.

In window screens, 5 months' delay occurred before price adjustments were made. A delay in any one item keeps a home from being completed.

In gypsum board, the first producer asked for relief in February 1945. Six months went by before this producer got a price adjustment. Nine months elapsed from February 1945, before a general adjustment was made.

Regarding lumber production, somebody will probably write a book, sooner or later, about the OPA-created bottlenecks and confusion in this industry. I will only take one example. The red cypress people asked for a price adjustment on May 30, 1944. On August 31, 1945, 15 long months later, they received a price adjustment representing partial relief.

Does this square with Mr. Bowles' promise, "We must in no event stand in the way of production"?

The lumber situation is highlighted by the fact that lumber was known to everyone, except the OPA, as the No. 1 problem in the building industry. Early

in May 1945, WPB Chairman Krug, wrote the Lumber Industry Trade Association:

Lumber's availability may well be the deciding factor in the partial reconversion period following VE-day.

What did the OPA do then in this critical reconversion problem?

During the same month that Krug made this declaration, the OPA turned down a request of producers in a major lumber region for higher ceiling prices and in that connection OPA admitted:

Marginal production, accounting for approximately 25 percent of the total volume will not be on a profitable basis under existing ceiling prices.

Mr. Chairman, I could go on and on, but this brief factual data illustrates the real cause for the critical home-building shortage. The cause is the OPA. It has resulted from Mr. Bowles' refusal to keep his pledge to the Congress and the people, "We must in no event stand in the way of production." The promise was fine, the performance was failure.

Mr. Bowles and the OPA have stymied, hamstrung, and crippled the production of building materials. The blame should be placed squarely on the OPA where it belongs. The building industry should not be crucified by socialistic subsidies because of the deception and failure of a governmental agency—the OPA.

Mr. Chairman, the strategy of the six hundred million subsidy proponents should be brought into full view. By exploiting the veterans plight resulting from the OPA accelerated shortage of housing, the inflation-spenders expect to force the Members to vote for this six hundred million subsidy.

How? By creating the impression that a vote against the subsidy scheme is a vote against the veterans. The maneuver is very seductive. But it will not succeed, if the membership will appraise this situation realistically.

Here are the facts. American boys were sent all over the world to fight for our free economic system. Now, when they come home, they find their own Government attempting to take over the housing industry because of an acute shortage caused by governmental controls and bureaucratic red tape.

American boys were sent abroad to fight for free enterprise. Then it should be given a chance to function upon their return. It will be a hollow victory for the veteran if he is provided a make-shift home at the cost of destroying the very system for which he was told he was fighting to preserve.

Some Members have said, "Well, I am against the subsidy socialization scheme, but I am afraid that if I vote 'no' the veterans will misunderstand my vote.

That alibi, Mr. Chairman, would be an insult to the intelligence of the veterans. If any Member of this House truly believes that the veterans are going to be confused so easily, that Member may get a rude awakening.

Let us review this picture. The OPA has bungled the pricing of building materials for over a year. A so-called housing bill is before Congress. When the bill get on the floor, a \$600,000,000 blank check is asked for a bureau to take

the building industry apart and see what makes it tick.

Will you tell your veterans that you shut your eyes and voted for a \$600,000,000 experimental subsidy scheme, which had received not one hour's discussion in the appropriate committee—a subsidy scheme on which the Members of Congress have no information except the glamorous verbal rainbows painted in a few minutes debate in the House?

Are you going to tell your veterans that you voted a six hundred million blank check to bureaucrats for a scheme on which the building industry had no hearing and no voice?

Arc you going to tell your veterans that you favored the method of "lynch law" for a bureaucratic blitzkrieg to take over the housing industry?

Mr. Chairman, I have full confidence that the veterans of my district are competent enough to accurately appraise my vote against this subsidy scheme. I believe they will approve of a "No" vote on a six-hundred-million blank check to a politician turned house builder by Presidential edict. I believe the veterans of every district in America are fully competent to discover the fraud in this method of procedure.

Mr. Chairman, this subsidy is a brazen attempt by the inflation spenders to use the veterans as a shield in their drive for national socialism.

Mr. Chairman, as that is the purpose behind this six-hundred-million proposal, I hope that the veterans and the Congress will recognize it immediately. No one in America has as vital a stake in a balanced budget and an honest dollar as do the veterans. The future of the widow, orphan, and wounded, plus the opportunities of the GI bill, depend on restoring a balanced budget now.

This House should defeat this first large-scale attempt by the inflation spenders to exploit our honored veterans.

This House should insist that free enterprise have a fair chance to build houses.

This House should demonstrate to the veterans that we will protect the system of full production by free men, for which 350,000 Americans died in this war.

To surrender or compromise that free system without even a trial or a hearing would be a shameful betrayal of every American who died in World War II.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. CURTIS].

(Mr. CURTIS asked and was given permission to revise and extend his remarks.)

Mr. CURTIS. Mr. Chairman, this Patman housing bill is in reality a bill to prevent the building of houses.

If the Congress is going to pass any measure that is before it, it should take the Wolcott substitute. I propose to offer an amendment to the Wolcott substitute. It will be offered on page 4 of the Wolcott substitute, after line 16. We should insert a new subsection, which reads, as follows:

Subsection (5). To approve the price ceilings on lumber and other building materials, and no price ceilings heretofore or hereafter established by any other agency on lumber

and other building materials, shall be effective until the same is approved in writing by the housing expediter.

The purpose of this amendment is to empower specifically the official who is responsible for the construction of homes with authority to control the price ceilings on the materials from which homes are made. In other words, it fixes responsibility. It is an amendment to prevent delays and hindrances by a divided authority.

Recently the Nation was faced with a price ceiling established on finished flooring which was below the price ceiling of the rough lumber from which it is made. The Office of Price Administration has made many ridiculous rulings of like character. All of these have prevented the building of homes for our veterans and others. Certainly, the individual responsible for the building of houses in America should have authority to overcome that obstacle.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

THE PROPOSED COMMITTEE AMENDMENTS WILL NOT SOLVE THE HOUSING PROBLEM

Mr. REES of Kansas. Mr. Chairman, it is obvious to every American that the present scarcity of living accommodations is a threat to normal peacetime adjustments. It is not necessary for me to describe the critical housing shortage, but I should like to discuss, briefly, whether this particular bill will solve the problem.

One of the purposes of this bill is to create a new agency—the Office of Housing Stabilization. This agency is to formulate a comprehensive housing program. Mr. Chairman, since there is in existence a National Housing Agency, why must we perpetuate emergency after emergency by the creation of a new emergency agency.

The principal purpose of the bill deals with the question of ceiling prices on new homes. From the standpoint of pure logic, the present Office of Price Administration is already vested with the power to set ceiling prices on new homes.

The bill also relates to priorities and allocations, all of which are vested in the Civilian Production Administration. It is doubtful whether these powers regarding priorities and allocations of building material can be better administered by a new emergency agency in any different manner than by the present Civilian Production Administration.

Mr. Chairman, in analyzing this bill, it is difficult to see how it is going to solve the housing shortage. This legislation will not really provide one additional foot of lumber or put a single roof over the head of one veteran. I believe the way to provide for more houses for our veterans and for prospective home owners is for private enterprise to build more homes. Government agencies in existence have ample power and authority to allocate and channel scarce materials and equipment into the hands of builders and contractors and to otherwise deal with this critical problem.

We have Government agencies loan up to 80 or 90 percent of the cost of the homes for purchasers who find it necessary to borrow the money.

It occurs to me that Government agencies, instead of sponsoring additional emergency legislation, ought to bend their efforts and use their influence to increase production, thereby providing builders with materials at prices which the prospective home owner is able to pay.

If price ceilings are necessary as an emergency measure, that should not be used as an excuse to create a super agency in the housing field, which is already encumbered by Federal regulation and control. This bill, if passed in its present form, will make the housing industry more chaotic than it is today. We do not need an Office of Housing Stabilization to tell us that a housing shortage exists. We do need, very definitely, a settlement of wage disputes affecting the lumber and building trades industry and a proper enforcement of revised building codes and a channeling of all building materials into the home building field, with priority for veterans, and Government encouragement of full production of housing materials.

It is agreed that veterans want homes at moderate prices, costing between five and seven thousand dollars. I find nothing in this bill which will provide such housing accommodations for veterans. In fact, unless the Federal Government is going to subsidize the entire housing industry, I do not believe any legislation will substitute for 1 or 2 years of full all-out production of homes. As I have stated on the floor of the House, I find no substitute for all-out production to bring prices on all commodities within the reach of every citizen.

As I understand it an amendment to this bill is to be considered that will provide ceiling prices on used homes at prices to be set after the passage of this act. I can understand how ceiling prices may be placed on new homes because the cost factors are obtainable. It seems to me that it would be almost impossible to place ceiling prices on used homes. Such action might encourage black markets and enforcement would be a difficult problem. The more you think about it, the more complicated the problem becomes. Of course, ceiling prices on new homes, if that becomes necessary, will affect the housing market to such extent, it would be unwise for the Government to dominate the transfer of every home in the country.

Consideration is being given to the payment of subsidies to manufacturers of building materials in order to induce the increase of finished homes. This again is inflationary and becomes doubly harmful because subsidies cannot be equitably distributed among the producers of building material.

I am in favor of and want to support any action that may be reasonably taken to stabilize the building industry and to provide for a maximum number of homes in the shortest period of time.

If it is deemed necessary to amend acts that have been passed by Congress

we might do that, but I do not believe that the creation of another agency with all the powers and authority provided in this legislation, would be the means of speeding up the building of homes in this country.

What this Government needs to do is to lend every assistance and every encouragement for the highest production of an abundance of building materials of all kinds so we can have more and more houses at the earliest possible date.

Mr. CRAWFORD. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I have never heard so much hokum bunkum and baloney expressed on the subject of a bill since I have been in this Congress as I have heard this afternoon. There has been a greater display of ignorance on the part of Members of this House concerning home building than on nearly any other subject I have heard discussed so far. I think I can say that because I have attended the session this afternoon quite religiously and have listened to everything said.

I have built a few homes myself in the past and I think I know something about home building. I have sold homes and bought homes. I have not seen anyone yet or heard anyone yet this afternoon that has made a sound statement concerning that subject.

In the first place, what is a real-estate market? A real-estate-market price is set by a buyer who is willing and able to buy and a seller who is willing to sell, and they jointly agree upon a price and that is the market. What is the valuation of a piece of property? There are valuations based on use and there are valuations based on straight appraisal. The value of a piece of property at the time of its being appraised, is its reproduction cost less depreciation and obsolescence. That is all very simple. That is what the value of a piece of property is. It is current reproduction cost less depreciation and obsolescence. That is all it is, nothing else at all.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Has not that principle been recognized in our courts and in our procedure for 165 years?

Mr. HINSHAW. Absolutely. It has been recognized by every court in the Nation and by every intelligent buyer or seller of property.

Mr. RABIN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New York.

Mr. RABIN. Would the gentleman include the value of present availability also?

Mr. HINSHAW. No; that would come into the market price, but that would not be included in an appraisal. That would come into the market price as a question of availability, quite so. When there is an oversupply, then availability is a negative factor. Right now it is a positive factor in price.

Mr. CRAWFORD. Has not that principle also been recognized by the insurance companies in settling for fire losses and tornado losses?

Mr. HINSHAW. Of course it is recognized by every insurance company. It is recognized by every lender, including the FHA, the NHA, and anybody else that has anything to do whatsoever with lending, selling, and construction.

Before I go further, the gentleman from Mississippi [Mr. WHITTINGTON] a moment ago asked the gentleman from Texas [Mr. PATMAN] whether or not this bill permitted any materials to be taken away from flood control and the building of highways, and so forth. I believe that he assured the gentleman that it did not. Is that correct?

Mr. WHITTINGTON. I am not quite certain from his answer. I do not know what it would do under the amendments I understand the gentleman intends to offer. From what I have heard, and the amendments have not been printed, priority would not be given for any flood control, river and harbor, or highway work.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Texas.

Mr. PATMAN. Veterans would be given preference. Does the gentleman favor the veterans' preference?

Mr. HINSHAW. That has nothing to do with it. Of course, I favor veterans' preference in home building, but the veterans have to ride on highways and they have to be protected from floods, and they have to be provided with sewers, electric street lights, and a lot of other things, not only in the place they actually live but on the way from there to their work and where they work. Yours is a very demagogic statement, in my humble opinion.

To the gentleman from Mississippi may I say that concrete and steel are commonly used in the construction of homes, particularly for foundations; soil pipe, hinges, doorknobs, nails, and almost everything else that has to do with a home requires steel. Concrete and steel, cement, rock, sand, and gravel are commonly used. The authority given in this bill will be to divert such materials from any other purpose to this purpose.

Mr. WHITTINGTON. That is the reason I asked the question, because I had the same understanding.

Mr. HINSHAW. Of course.

Mr. WHITTINGTON. I further had the understanding that that priority authority ought not to be given because the veterans are as much interested in flood control and in bridge and highway construction as any other citizens.

Mr. HINSHAW. They are even more interested than other citizens. They need jobs and buildings and tools in which and with which to work, and ways to get to work and back.

Mr. PATMAN. They certainly ought to be specifically included.

Mr. HINSHAW. Having been in the building business at one time, I have taken an interest in building situations wherever I have been. Here in Wash-

ington I have had occasion from time to time to talk to people in that business to find out what was going on, and to price properties and price construction. The prices of property in Washington, D. C., have gone up approximately 30 percent in the last 5 years, and I have checked that market myself to find out, while the cost of construction has gone up in the neighborhood of 40 to 45 percent in the same time. Construction costs have risen faster than resale prices.

If you go to a man and say to him, "Mister, I want to buy your property," and he says, "Now, I paid \$5,000 for this property in 1940, and I will sell it to you for \$6,000," the man is crazy, because he cannot reproduce that property for less than \$7,000 today. Why should he sell his property for \$6,000? It is ridiculous. He should sell his property on a fair valuation, which would be the reproduction cost new, less depreciation.

In other parts of the country the cost of construction has gone up even higher than here. I personally built a house for my own use in 1938, just before I came to Congress. I lived in it 6 weeks and then came here, and later sold it. That property cost me \$3.50 a square foot to build, in 1938. On my return to California this last Christmastime I inquired of the general contractor and the architect who built and designed that property what it would cost to reproduce it today. Their answer, much to my surprise because I would hardly have believed it, was that the reproduction of that property today was from \$9 to \$11 a square foot if they could get the material and have it delivered on the job on time. Just figure that one out. That is about 3 times the price that it cost me in 1938. The reason for it, of course, was that at that time there was an availability of material in surplus at low prices and an availability of labor. Incidentally, I hired 100-percent union labor on that job at fair wages, at current union wages of the day. I would do so again. But in that area, the wages of plasterers, carpenters, and plumbers, and all the rest of the building-trade labor have gone up very materially and there has been a great shortage of that kind of labor because of the war and because we have built thousands and thousands of homes out there. Some of the workmen say, "Well, we do not want to work on Monday, but we will work on Saturday if we can get time and a half." That adds on to the bill. They want that time and a half. That is what is happening in the building industry. Now, you say, "Yes, it costs the veteran \$7,000 to buy a \$5,000 home." That is true because the cost of labor and materials has gone up that much. It is not a question of speculation, as my friend the gentleman from Texas would say. The speculators are those who catch the people who own property and do not know the value of it. The speculators buy property from owners at less than its current value and then sell it at the current market value. Those former owners are the people who lose by that game—by selling below the market to the speculators. I am sorry if those people do not keep abreast of the market situation insofar as reproduction costs less depreciation are concerned, but

the owner does not have to sell unless he wants to. The speculator does not raise the market. He buys properties that are offered below the market and sells at the market.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield for a question?

Mr. HINSHAW. I yield to my colleague from California.

Mr. JOHNSON of California. Does not the factor of supply and demand have something to do with the situation?

Mr. HINSHAW. The factor of supply and demand has a great deal to do with it. Suppose I own a house and a man comes to me and says, "I want to buy your house." I say, "I do not want to sell." He says, "What do you want for it?" I say, "Well, I do not care to sell." He says, "Well, you must have paid about \$5,000 for it 3 years ago and I will give you \$6,000." I say, "No, I do not want \$6,000. I would rather not sell." Pretty soon he says, "I will give you \$7,000." I say, "Well, that is \$2,000 profit." So I go out and look and see what I can get for \$7,000. Maybe I will be able to get a new house that I like better than the one I live in. So I go out and buzz around the contractors and real-estate brokers. Soon I discover I cannot either buy or build anything better than I have for the price that he offered to pay for the house. "No," I say, "I will not sell for \$7,000. I cannot better myself by doing that." He says, "I will give you \$8,000." Then he begins to strain on my heart-strings a little bit because here I have really a market profit this time. But I do not want to take the trouble to move and go through the transfer of title business and all the rest of it so I say, "No." Finally, when he offers me enough so that I have enough profit in the proposition for trip back to Kansas to visit the folks, I say, "All right, brother, you can have it. I am going to Kansas." That is the way it goes. Then March 15 rolls around and the profit, which is really not much of a profit on the basis of reproduction cost less depreciation, is taxable as income and a substantial part of it goes to the collector of internal revenue.

The reason why the buyer bids above the real value is because there is a shortage of houses and in order to get someone to sell he must offer a substantial inducement. Putting ceilings on houses won't make houses available. Building plenty of new ones will eventually break the bottleneck, and that is the only way it can be broken.

Mr. JOHNSON of California. Out in our section of the country there are probably three times as many veterans who want homes as there are homes that can be built.

Mr. HINSHAW. Of course, that is absolutely true.

Mr. JOHNSON of California. That has raised the price.

Mr. HINSHAW. Out of 6,000 veterans who were discharged from Camp Pendleton in a recent week, 3,100 decided that they are going to live in California. That is one reason why we are having quite a serious problem when it comes to veterans' houses in California. If those who really live elsewhere would go home

for a while it would help ease the present terrible situation.

In this bill there is the greatest possibility in the world for some of the finest rackets you ever saw in the building industry, if you please. I will tell you how they can work. With the authority given to the Administrator under this bill, and do not think that authority is not used, he can practically designate, if he chooses, for example, on what particular piece of land he will permit the priorities to be used. Is that not correct? They did it during the war under title VI for housing. I can mention specific cases, but I will speak only in general and show you how that racket works. This will be only one way out of a great many ways that the racket could work. Suppose there is a certain piece of vacant subdividable land one square mile or 690 acres in size less the bounding highways along the property. Let us say one highway is a good business street. A man who is a political racketeer with allies in the right places in Washington goes out and takes an option on that 600 acres. He may pay \$25,000 for the option to purchase 690 acres net at say \$500, or perhaps \$1,000 per acre. When he has taken that option, he finds himself a likely and friendly contractor who is able to build and build in quantity, and he says: "Now, brother, I have got an option on this piece of land. I will sell you the option and you buy the land, and you build 2,500 houses on that 600 acres."

The contractor says: "No. I don't want that deal at all, because I don't have any priorities to build on that land, and it is not within the building-area limitations that are set forth by the Housing Expediter, or the Administrator, or the OPA, or the WPA, or the NHA, or the FHA, or whatever it might be."

He says: "Don't worry about that. I will take care of the priorities and all that—I have friends."

"Do you guarantee it?"

"Yes."

"What is your price for the option?"

"I'll tell you what I'll do. I'll give you the option if you will deed me back 1,500 feet of frontage zoned for business on this main business artery for the option."

He says: "That is a fair deal. That is about the value of it as acreage."

So he gets the 1,500 feet of business frontage down on the main drag, and the contractor gets the rest of the property and the priorities and preferences.

What happens? He builds 2,000 or 2,500 houses on this land without any trouble or delay. The other fellow has 1,500 feet of business frontage which has cost him almost nothing, practically. That business frontage, with 2,500 families behind it, and other places across the way and around the block is worth probably not less than a thousand dollars a front foot, and that political racketeer has \$1,500,000 worth of business property to his credit, that cost him \$25,000, because he has friends in the right places.

That is one of the rackets that can be worked in this game, if you have friends

among those who issue the priorities and determine the places where the veterans homes can be built.

There are some other rackets I would like to delineate to you because I understand how these things work. I have talked with some people who have been close to that business and who have done a great deal of building during the war, and I know whereof I speak. It is all quite legal they say.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. Yes, I yield.

Mr. RABAUT. I am very interested in the gentleman's remarks. I have had a great deal of experience in the real-estate business. I wonder what you suggest? We are trying to suggest something here.

Mr. HINSHAW. I will tell you what I would suggest, and I appreciate the question. I would suggest that this racket of priorities and this racket of the control of prices, to the point where nobody but the favored few can afford to produce stuff to sell, should be abolished and abolished now. And I will tell you why. Take a certain building material that was not necessary during the war, because it was not needed in connection with the war, but it is a very widely used building material. Let us pick one out of the blue and say cellulose wallboard, three-quarters of an inch thick. The price on that material was the same in 1938, 1939, 1940, and 1941. In 1942 a ceiling was put on it in March, and since then there has been comparatively little use for it except by the Army and Navy, and they have made special contracts. So the price ceiling is still the same ceiling that was on there in 1942.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman four additional minutes.

Mr. HINSHAW. It comes along now to the point where the wallboard is badly needed in the building industry, as one of the cheapest and best things with which to build. The manufacturer of this building material comes down to Washington and says, "I should have an increase in price now because I am paying my labor 30 percent more; a 15 percent increase during the war and 15 percent which I just granted, and I should have an increase in my price on that material so that I can come out. Otherwise, I cannot afford to make it."

They say, "We are sorry, but you have got to stick by 1942 prices. We are holding the line."

So there is none of that product made. Where do you as a veteran home builder get off? You have got to buy more expensive material, if you can get it at all on the market, and the other stuff is not being produced.

Mr. RABAUT. Mr. Chairman, will the gentleman yield further?

Mr. HINSHAW. I yield.

Mr. RABAUT. I have been attending hearings upstairs the last few days, and I have not heard all the discussion, but I am very interested in this bill. I understood there was to be an amendment

offered here for subsidies for the purposes of production. Would not that take care of the situation we are talking about?

Mr. HINSHAW. It might in the governmental sense but that does not take care of it for me because when first there are subsidies then immediately comes the thumb of the bureaucrat. I do not believe in subsidies. No businessman wants subsidies, he wants a fair price. Government subsidies have to be paid for by the people through buying bonds and paying taxes. Subsidies are like dope.

Mr. RABAUT. The gentleman's idea, then, is that we should just let things find their own level, just let things go.

Mr. HINSHAW. I will say this to the gentleman from Michigan, I believe that if this country could be turned loose to exercise its productive genius without restriction and without strikes, that you would find prices lower than they are now or proposed to be, inside of 6 months. But as long as you keep up all these restrictions you create the very bottlenecks that you seek to break. And strikes only create greater shortages at the very time we need production.

Mr. RABAUT. I realize the gentleman's seriousness in the matter, but the history of World War I refutes every point he has made.

Mr. HINSHAW. I beg to differ with the gentleman. I went through World War I.

Mr. RABAUT. So did I.

Mr. HINSHAW. I served in the Army, and when I got out went into business.

Mr. RABAUT. So did I. I was in the building business too.

Mr. HINSHAW. I was not in the building business; I was in the manufacturing business at the time working on the assembly floor of a factory as a grease monkey. I know that back in 1921 they dumped the surplus war goods on the market, surplus war materials. That is what started that depression, but in this war they will not even turn them loose. They have thousands and thousands of kegs of nails in warehouses in Chicago, so I am told, yet we cannot get one keg of those nails out on the west coast, and we cannot continue construction for long out there because we cannot get nails. No; the nails have to go to local distributors in the Chicago area under the regulations, and they never reach the west coast. We have shortages of other things too because of the regulations of the bureaucrats down here in Washington.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. ELLSWORTH. Substantiating what the gentleman said about wallboard, the panel fir plywood industry on the present basis produces only about 5 percent of its output in house building board, I think that is three-eighths inch panels, and so far they have not even yet had a price set on the 1942 basis. As the gentleman pointed out, since the end of the war they have not even had a price established on the coast based on cost of production.

Mr. HINSHAW. No; and if they were a smaller outfit, they would pretty soon

find some cheap chiseling racketeer politician coming to them and saying: "I think you need a representative in Washington to represent you down there; I understand you are having difficulty with the OPA. If you will pay me a \$2,500 retainer, I have an office in Washington that is friendly with the right people. We will get your price fixed for you, and we will get even more for you than you think you ought to have."

I have known that to happen more than once to manufacturers in my own district.

Mr. ELLSWORTH. The Housing Expediter has said he needs 50 percent of their output; still they have not done anything about fixing a price on it.

Mr. HINSHAW. That political racketeering and these restrictive laws and senseless regulations are the things that are causing the great housing shortage today, and we ought to get rid of them.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I believe the House today faces a very vital decision. I think we can be overcautious and oversimplify this decision and come up with the wrong answer. Or I think we can show a little native American courage, a little native American business vision, and come up with the right answer. By that I mean we can take action in the House when this bill is read tomorrow to give to America a real and genuinely effective housing program.

A great deal has been said here today about wanting to do something for the returning veteran. I am in favor of that, and every man in the House is in favor of doing that.

HOUSING AND JOES NEEDED

I am interested not only in doing something for the GI's, in finding them a decent place to live instead of in reconditioned gasoline stations, chicken coops, jamming up three or four families with mothers and two small children, sleeping on the floor of an in-law's house, but I am also interested in seeing real, honest job opportunities opened up for the GI's to go to work in.

In my own home town there are over 4,500 GI's registered today for employment and less than 200 job opportunities filed there.

We have the great task to build homes for these servicemen who are arriving 20,000 to 25,000 each day on the boats as they come back from overseas. We must also build for the backlog of the four or five million veterans who have returned since VJ-day.

We will not be able to find homes or jobs for these men unless we pass legislation that will make possible the breaking of the bottlenecks that today exist in the housing industry.

FREE ENTERPRISE MUST PROGRESS

It is all right to talk about preserving the sanctity of free enterprise. I believe in free enterprise to the very depths of

my soul, but I do not believe that there is any sacred-cow entitlement in free enterprise to resist constructive change and improvement. Or to tenaciously cling to limitations and habits they have had during the past 10, 20, or 30 years.

As Wilson Wyatt said, you cannot do this job with business as usual. You will do it under the capitalistic system, you will do it under free enterprise, but you will see a progressive, free enterprise change a few of the old rules and musty habits of the game. That has happened in countless times in America and it has made our country great.

DEAD HAND OF THE PAST

If we had listened to the argument of the buggy whip manufacturers, of the men who made the shafts, we would not have had an automobile industry today. If we had listened to the arguments of the ice people we would not have electric refrigeration today. Almost every single step in America's progress toward prosperity has resulted in the free enterprise industrial system being alive to meet modern conditions.

So I can see no great danger, no socialistic housing program as some have jeered at this legislation, when we simply recognize as a Congress, as a free people, that we have a gigantic task to do and we must do it in the progressive American way.

NEED 2,700,000 HOMES

Let us see what this job is. There are 2,700,000 homes needed in this country today for veterans. The very best estimate that you can get under present techniques, that you can get under the laissez-faire policy of "let well enough alone," not giving any help to the veteran or to the builder who is trying to help the veteran, is about 300,000 homes per year—600,000 homes versus 2,700,000 homes in 2 years.

There is prosperity and employment for the returning veterans when we help them to build their own homes, when we permit them to work for men who we have helped in getting priorities and materials to build these homes. This is far better than having those veterans homeless, walking the streets, jobless, discouraged, drawing unemployment compensation from their Government, which they do not wish to do, at the rate of \$20 per week over a period of 52 weeks.

I think America should have the courage to do as Wilson Wyatt has done, and as the President has directed him to do when he said, "Do not bring in a small program. We want a big plan."

CREATE A NEW INDUSTRY

Mr. Chairman, you talk to the men in the housing industry who have vision, men who are not hidebound by old-fashioned hammer-and-saw technique, and they will confess to you that the housing industry after this war offers the best opportunity of a new giant industry in this country. An industry that can create untold billions of values to our country, untold millions of jobs and resulting in millions of homes for veterans and for others in the process.

Yet because a little bit of this legislation tramples on the toes of hidebound

tradition in this industry or that industry it is called socialistic housing.

This is a bill designed to enable free enterprise to become bigger, better, more efficient, and to meet the needs of an America that is somewhere between five and six million houses short of fulfilling the land of promise that every soldier thinks he is returning to.

MATERIALS MUST BE EXPANDED

We cannot possibly build anywhere near the number of houses that we need and must have with the materials that are available today. You can blame the OPA if you want to; you can criticize the bureaucrats and all that, but you all know there have been many other factors besides the OPA involved in this thing. I remember about a 3-months strike after VJ-day on the Pacific coast which stopped almost all lumber production. It was a labor difficulty, perhaps. Maybe it was a sit-down against paying further excess-profits taxes up to the January 1 deadline.

There are many causes for the material shortages. Take your labor trouble, your dislocation by reason of the war, your repeal of the excess-profits taxes—these are only a few. The OPA is not alone to blame. I grant you that there are many cases where you can single out grievous errors that have been made in the pricing of housing material, but I also know that there have been dozens and dozens of price increases given, and yet as these price increases were had, you still did not get the production that you sought for. It still dries up, and somehow price alone does not give the production that is needed and which determines whether we are going to have these homes for the returning veterans.

PRODUCTION INCENTIVE PAYMENTS

I propose to offer an amendment recommended by Mr. Wyatt in the President's program that he be allowed to have a ceiling of \$600,000,000 for use in material subsidies to stimulate additional production of building supplies.

Unless we have that amount of help—and it is a maximum figure and it has to be vitalized with an appropriation by the Committee on Appropriations—I do not think we can break the bottlenecks to stimulate hundreds of the high-cost producers, the man who is on the ragged edge and cannot get going. Unless we do that I do not think you will possibly get the materials you need to even support a 300,000-home-per-year program, let alone the 2,700,000 that this country needs today.

This matter of production subsidies is not entirely revolutionary; in fact, Member after Member during the war, as we were struggling to get the goal of war material up to where it could turn the tide to victory, stood on this floor and praised the subsidies on copper, lead, and zinc and on the other basic critical materials needed for war. That program was well run, and it enabled us to hold reasonably the ceiling on the low-cost producer and still get production from the marginal high-cost producer that was the difference between adequate supply and not nearly enough supply for all.

FIGURES ABOUT 3 PERCENT

So I think, although the \$600,000,000 figure sounds like a large figure, that when you break it down as to the cost of these 2,700,000 homes, it represents something slightly over 3 percent of the cost of the whole program. If a 3 percent expenditure will help us to get a flood of material, to break the little troublesome bottlenecks, on things that need only a few thousands of dollars to get them into full production, then I think this House can wisely and judiciously effect that.

We have appropriated \$191,000,000 to move temporary housing that we know is going to be torn down in 4 years. In the Senate there is another \$200,000,000 going through, and the House will probably support that, to use this temporary housing and reconvert it for 3 or 4 years use only to make housing for this emergency situation. Yet you will only get about two or three hundred thousand housing units out of this sum. Out of that almost \$400,000,000 that must be written off we get only a fraction of our goal in housing units. Here we are asking you to amortize, not appropriate, the use of \$600,000,000 in subsidies to break troublesome material bottlenecks for production that will get this machine rolling under a free-enterprise system of 2,700,000 homes.

CONGRESS SHOULD ACT

I am glad that the gentleman from Michigan, although he did not wish to comment on it on the floor, has said in the past, if he is quoted in the press correctly, that these subsidies are necessary. I disagree with him on the fact that we do not need an authorization from the Congress. As a matter of fact, if we did not need an authorization from the Congress, if the law were broad enough so that Mr. Wyatt could use \$1,000,000,000 in subsidies, I happen to have enough respect for Congress and the legislative processes of Congress that I want the Congress to set the ceiling on the amount and make the authorization for carrying on this production stimulation so that we can get the production we need.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The gentleman says that one of the troubles now is a bottleneck in the production of building materials.

Mr. MONRONEY. Exactly.

Mr. ZIMMERMAN. We may all agree on that, I think. A few days ago I attended a dairy meeting here in Washington where the dairymen of our country pointed out that there is a shortage of butter and other dairy products, yet they have been given a subsidy. They said that the subsidy, and compelling them to operate under a subsidy, had forced dairymen to go out of business, and instead of stimulating production it had in fact curtailed production. May I ask the gentleman if he has given serious thought to that situation? Will the employment of subsidies here in fact stimulate production and break this

bottleneck, or will it do what some say, stifle production and leave us with a shortage?

Mr. MONRONEY. I would say that the best analysis, since we are dealing with hard materials, firm materials, such as we dealt with all through the war—and the subsidies were eminently successful—is that we got copper production, zinc production, lead production, and other materials through the use of subsidies to bring into production the marginal producers. I hope the gentleman will not confuse this issue. The price control bill will be here in a few weeks, and he will then have a chance to go over the butter question, the milk question, and many other of these perplexing things. But I do say that our experience with basic material subsidies during the war, in which they were used for 5 years and were so eminently successful that not a man stood on the floor here and tried to discontinue them, certainly leads me to believe that this is a program that is well worth use at this time in view of the emergency that faces us in the present shortage of materials.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. The gentleman mentioned the west coast lumber strike a moment ago. May I call attention to the fact that that strike was settled with a substantial increase in hourly rates, 15 cents, to be exact, but no adjustment whatever has been made in the manufacturers' prices and so far as I know there is no move to do that, even though a similar situation developed in steel and a very large increase was given the manufacturers. Meanwhile, the production of lumber in the Northwest, in the same area where this increase of wages took place, has declined 29 percent in these 2 months of the year as compared with the same 2 months a year ago. I think if we would not fool with subsidies but do exactly with lumber, a prime building material, what has been done with steel and some of the other commodities, we might not have to worry about subsidies on materials.

Mr. MONRONEY. May I say to the gentleman that one of the main purposes of this bill is to centralize the control of price bottlenecks as well as supply bottlenecks. You surely cannot expect to handle a situation as big as the west coast lumber situation with \$600,000,000 in subsidies.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield five additional minutes to the gentleman from Oklahoma.

Mr. MONRONEY. By passing this bill and by adopting the language of an amendment which I shall offer, and which incidentally happens to be the first part of the amendment of the gentleman from Michigan, you do give the housing expeditor a right to override all other agencies in Government on the determination of price, to break the price bottleneck. But you cannot simplify this to a single issue of breaking the price bottleneck.

You have to have a subsidy leeway there so that you are not going to raise all of the low-cost producers, who might happen to be in a very good profit position, up to the level where you bring the high-cost producers into production. I think it makes good common sense. I think if we intend to have the kind of a housing program that will meet the needs of a free America we will have to pass the subsidy provision and carry it out. I do not think anything else will meet this challenge.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. ELLSWORTH. Does not the gentleman agree that by treating a critical industry, such as the lumber industry, the same for example as steel, with an idea of increasing the incentive for production, it might save the necessity of going into the Federal Treasury for subsidy money?

Mr. MONRONEY. I believe you will find that the lumber ceilings are not the uniform ceiling. Each manufacturer and each mill has its own ceiling.

Mr. ELLSWORTH. That is not so.

Mr. JENSEN. Mr. Chairman, the gentleman is exactly wrong.

Mr. MONRONEY. I do not believe I am wrong on that. The OPA has been plagued and the building material people have complained that only 3 weeks ago, I got this from about 50 of my own lumber dealers, that the complexity and the difficulty of a thousand different price schedules on lumber was one of the contributing causes as to why they could not possibly bring about an adequate supply of lumber.

Mr. ELLSWORTH. I believe I can answer that. There are a great number of items in a lumber schedule, but there is no divergence between one mill and another. The price rate is straight across the board, that is, the ceiling price. I am positive on that point because a constituent of mine who manufactures lumber thought, due to the situation in which he found himself, his mill might be granted a slight concession, but after spending a great deal of time here, he found that that could not be done. That is not the case. But if the gentleman will permit a further observation, lumber prices and building materials and housing materials are now set on the basis of 1942 at prewar figures. During the war most of the lumber production went into items that are not usable for houses.

Mr. MONRONEY. That is correct. It went into railroad materials and materials for shoring in shipyards and things such as that.

Mr. ELLSWORTH. Six months ago it was perfectly obvious to everyone that housing lumber was needed and the same price schedules that operated during the war are still in effect 6 months later as of today. I am not talking about an increase of price; I am talking about a readjustment of price which would bring the same net amount to the mill but readjusting it so that we get the lumber that the country wants and needs.

Mr. MONRONEY. I am told that the OPA for the past 3 months has been endeavoring to work out a satisfactory lumber schedule.

Mr. ELLSWORTH. They have been talking about it only.

Mr. MONRONEY. I have been told by my own constituents and lumber people that they are trying to get it but they are stalled by many practices that have grown up in the lumber industry. Some mills open a retail yard right at their front door. They take their full production from the mill and move it across the street into the retail yard to sell to home builders at a retail figure. I do not think it is very good business and I do not think any Member of Congress could approve of that method of evasion. But under the law, if you let a few mills operate retail outlets, they change their distributive system. But it is now being used as a major point of evasion of wholesale price ceilings. Does not the gentleman agree with me on that?

Mr. ELLSWORTH. The lumberman is not more saintly than any other individual in America. You will find the same type of evasion, if such exists in the lumber business, in every line of industry and business in this country. That does not alter the situation that in the 6 months period since VJ-day the OPA has failed to meet this situation. I recognize that this has to do with the price of lumber and also with the supplies of lumber.

Mr. MONRONEY. Is that not a good argument for making the Housing Expediter powerful enough to break these price bottlenecks and expediting that lumber production?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. PATMAN. Mr. Chairman, I yield the gentleman one additional minute.

Mr. JENSEN. Does the gentleman think subsidies as he has explained them would cure a condition such as I am about to recite? For example, rough green vertical grain B and better, fir flooring 4 inches by 12 inches by 12 feet long—now, that is a big, heavy timber, 4 inches by 12 inches by 12 feet long, can be sold under OPA regulations for \$75 per thousand board feet. When the same item put through many expensive additional operations comes out as 1 by 4 and 12 feet long B and better, flat grain fir flooring the OPA ceiling price is only \$45 per thousand.

Mr. MONRONEY. Of course, the gentleman knows subsidies will not correct that. The question was not asked to determine that. The question was asked to prove the OPA ceiling was in error. The gentleman surely knows that the reason that high price was placed on that heavy lumber was to provide the necessary heavy lumber during the war for carrying on the war. At this time that should be off, and we should kill out this extra price for extra-size lumber.

Mr. JENSEN. Absolutely. If we had corrected that condition we would have had lumber production by this time.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. GRANGER].

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Chairman, I would like to call to the attention of the House, the almost unanimous support which the Nation's press has given to the Veterans' Housing Program.

The New York Herald Tribune of February 11 classified Mr. Wyatt's report on housing as "an inspiring document" which "refuses to be daunted by obstacles and very appropriately points to the manner in which the impossible was achieved by the United States in building the world's most powerful war machine 4 years ago."

Terming the "courageous realism" of Mr. Wyatt as a "challenge to the United States," the editorial asserted that "he has outlined the problem and suggested remedies in such a fashion as to permit Congress and the people to tackle the subject with understanding."

The Detroit Free Press of the same date lauded this comprehensive housing program for the Nation as a "great job" and said:

The Nation has desperately needed a bold program to meet the emergency, and to end the fumbling and piecemeal approaches to this basic problem. With these proposals such a policy is on the way to attainment. From here on, speed and wholehearted cooperation are the first essentials.

The Philadelphia Record of February 17 termed Mr. Wyatt's proposal "an imaginative, decisive program which meets the problem head-on." The editorial added:

Congress should give him the legislation he need promptly and let him go to work. He deserves the cooperation of all interested groups—labor, industry, Government, and the public.

The Philadelphia Inquirer of February 10 in commenting on the housing problem said:

Shelter for the millions who have been hunting homes in vain is the first consideration. Here is a crisis not only warranting but absolutely demanding Government aid because of the immensity of the program. * * *

Let the Government now take a hand in earnest, give the initial push to this movement and homes for all Americans will be no longer a dream but a cheering reality.

The Cincinnati Enquirer of February 11 defined the proposal as "basically a good program to meet an exceeding grave national problem of stupendous dimensions." It continued:

Irrespective of minor changes which may seem necessary, legislation to implement this housing program should be enacted in a few weeks. We owe it to the men coming back from overseas to see that they have homes to come back to. And we owe it to the youngsters of America to see that they do not have to grow up in trailers, hovels, cabins, unsafe tenements or piano boxes. America can do better than that.

The Minneapolis Tribune of February 12 termed this plan "the boldest and most comprehensive housing program ever formulated in the United States" and added:

It is a challenge to the construction industry which has lagged in the mass-production economy on which most of the Nation has embarked.

Attributing the construction industry lag in large part to "lack of coordination of our construction resources and abili-

ties," the editorial asserted that "Wyatt's program provides the sort of coordination which the industry needs."

Commenting on the plan proposed by its former mayor, the Louisville Courier-Journal of February 10 says:

If the sights are high, they are no higher than the need. Therefore it should follow in the most lucid of processes that they be realistic, not grandiose. One disposed to look at them as visionary should look again, and see the solid quality of their implementation—subsidies to absorb cost increases, guaranteed markets to eliminate risks, priorities for smooth flow of material, recruitment of manpower, sound financing and mortgage insurance. If Mr. Wyatt has not yet actually started to fulfill his promise to break bottlenecks, at least he demonstrates that he recognizes the shape and location of them and has lined them up for systematic demolition.

The Asheville (N. C.) Citizen-Times of February 10 commented:

More mature consideration may suggest some modifications in the Truman program. But its basic principles and objectives are sound. The fundamental plan should not be emasculated by unwise alterations. The housing shortage is too acute for protracted debate. Congress should tackle the situation without further delay and pass the legislation that is required.

The Greenville (S. C.) News of the same date asserted that "there is much reason to look with approval upon the basic features of the President's home-building program" and added:

The essential thing now is to get construction of homes, mostly moderate priced homes, going at full scale. We have got to have more houses as quickly as possible and this emergency need of the country justifies some emergency governmental measures to hasten that program.

The Atlanta (Ga.) Constitution of February 13 expressed satisfaction that Mr. Wyatt had heeded the President's injunction "to make no little plans," and said:

It is to be hoped that Congress will move with all alacrity to enact whatever legislation is necessary to get the sorely needed building program under way. Too long already have we delayed in the hope that it could be solved by halfway measures.

The Chicago Sun of February 18 pointed out that the "so-called natural forces of supply and demand did not give us a vast program of homebuilding after VJ-day," and said:

War veterans who know from personal experience the vast productive power of this country will not be satisfied with explanations instead of houses.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Chairman, the bill under discussion, H. R. 4761, with constructive amendments, will, to my mind, prove to be the only practical solution toward releasing our homeless citizens and former veterans from the present housing crisis.

The great Calumet industrial region of Indiana, which I have the honor of representing in this body, is undergoing the most critical housing shortage of any area in the United States. Thousands of families moved into this area at the

beginning of the war in order to make their contribution toward defense production. The housing situation in my district was critical before VE- or VJ-day, but owing to the fact that thousands of veterans have returned in the last 9 months, we find a great majority of them are unable to find a place in which to live. From a survey made in the city of Hammond, Ind., it was revealed that 68 percent of house or apartment seekers are returned veterans.

This bill provides for a housing expeditor with broad powers to issue directives to other agencies so as to concentrate the Government's attack upon this problem. It sets up a priority program to channel scarce building materials into housing for veterans. It also provides for ceiling prices on new and existing homes. It permits the housing expeditor to use subsidies as they were used during the war to increase production of building materials. The provisions of this bill will terminate on December 31, 1947, and during these 13 months, this great national housing emergency should have passed. By enacting this bill, a major step will have been made to provide for the 2,700,000 homes in the next 2 years.

Unless some kind of supervision is enacted, millions of dollars worth of scarce building materials will be directed into building channels where great profits can be derived, such as nonessential construction, places of amusement, and so forth.

I think it is common sense that a great percentage of these newly constructed homes should have a ceiling price of not over \$6,000, as very few returning veterans can afford to pay ten, twelve, or fifteen thousand dollars for a place to live. The average returning veteran is desirous of owning a modern home which he can call his own and enjoy the mental satisfaction of reestablishing himself to civilian life and raising his family.

The need for housing in the lower cost bracket is great and the records reveal that more than one-half of the families of this country could not afford to build a home costing more than five or six thousand dollars. Furthermore, as construction material becomes more plentiful and modern building methods develop through research, there should be a progressive lowering of the price for all moderate and low-cost housing.

The returning GI's can be classified as members of the average American family and they have a right to expect help from Congress in achieving a decent security and a place to live which they can afford to maintain.

I realize this legislation in its present form is not perfect, but I hope that if amendments are adopted they will not cripple the original intent of this bill, which is to provide a low-priced home for the veteran and the average American citizen.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. SAVAGE].

(Mr. SAVAGE asked and was given permission to revise and extend his remarks.)

Mr. SAVAGE. Mr. Chairman, it is extremely important as we consider the specific legislation, the Patman bill.

which is necessary to make the veterans' emergency housing program work, that we be fully aware of the almost unanimous support for this program which exists throughout the country. The press, labor, veterans' organizations, industry representatives, public interest groups, mayors, governors, Federal, State, and local officials, all have endorsed it and have asked for immediate legislative action to put its various phases into operation.

Support and endorsement has come from both political parties, from producer and consumer groups alike. Our housing crisis, which is getting worse daily, and the Nation-wide demand for action now means that we must pass the necessary legislation immediately and get this program into action.

As evidence of support and endorsement of the veterans' housing program I would like to quote briefly some excerpts from statements made by various individuals and representatives of industry and agriculture. These are only a very few of the hundreds of similar endorsements that have been made of this program:

Henry J. Kaiser, industrialist. In an interview with the Christian Science Monitor, Mr. Kaiser said:

There are simply no bottlenecks you cannot break. The Truman-Wyatt housing program will electrify the Nation. Can a nation that built and delivered hundreds of billions in armaments be baffled by the task of building homes?

Harry H. Steidle, manager, Prefabricated Homes Institute:

Mr. Wyatt's program is a courageous, comprehensive and highly commendable plan to solve our No. 1 domestic problem. It can be attained if Government, labor, and industry will cooperate in peace as they did in war * * *

Recent surveys of the prefabricated home manufacturers industry indicated a known productive capacity of nearly 200,000 permanent for 1946, and with the aid of some newcomers who are converting over from war enterprises the goal of 250,000 houses this year which Mr. Wyatt assigned to prefabrication seems well within the realm of possibility.

However, this will be the case only if plywood, lumber, flooring, and millwork, together with the equipment items, are made to flow in steady and adequate quantity to the prefabricators, for this is just as much a mass-production industry as the production of automobiles.

Henry Morgenthau, Jr.:

Mr. Wyatt's building program attacks the housing problem vigorously and intelligently. It provides the necessary governmental assistance to bring new construction techniques, new material, and new organization into the residential housing field. With this program, we will have made a tremendous step forward toward realizing the hopes of millions of Americans for new homes at low cost. I am convinced it should receive the support of all farsighted businessmen. I sincerely hope it will succeed.

Brig. Gen. David Sarnoff, president, Radio Corp. of America:

The need for low-cost housing has been evident for years and the program developed by Mr. Wyatt promises to fulfill that need. I congratulate Mr. Wyatt on the approach he has taken to this most difficult problem. It deserves the wholehearted support of the people of our country.

Nathaniel Dyke, Jr., operator of lumber and building-materials firms in 12 Southern States:

Wilson Wyatt's bold and intelligent plan to provide housing for veterans deserves the support of all Americans. It has my enthusiastic endorsement. * * *

Wilson Wyatt as Housing Expediter is ready to lend the assistance of the Government in this crisis, but it is free enterprise that must put his program over. The construction industry, in all its thousands of units, material producers, labor, home financing, should accept this challenge to produce the housing that is so badly needed.

Speaking from years of experience in the production and distribution of building materials, I believe that Mr. Wyatt's plan, with the cooperation of the whole construction industry, should prove effective in maintaining long run stability in the construction and building materials industries generally. Therefore, it is to the interest of these industries as well as to the interests of the public to lend their wholehearted support to Mr. Wyatt's plan.

James G. Patton, president of the National Farmers Union, in a letter to Mr. Wilson Wyatt:

The vigorous, intelligent, and comprehensive emergency housing program just announced is like a breath of fresh air in Washington. I congratulate you on the energy with which you have attacked what is certainly the major economic problem immediately before us.

Solution is essential because, first, of course, the Nation simply cannot afford to put up with a condition wherein literally millions of people cannot find shelter of minimum adequacy. The spectacle of returning veterans forced to house whole families in a single room, in flimsy shelters, and in extreme cases even in tents is one that shames us.

But solution is necessary also because the construction industry is a key industry in reconversion and in the maintenance of full peacetime production and employment. The ramifications of the industry spread throughout the economic structure.

I am particularly happy that the program attacks forcefully the problem of prefabricated housing and of the use of new materials, and earnestly hopes that it will lead to a tremendous expansion in the construction of low-cost housing. Action of this kind, moreover, can make a real contribution to long-time programs for improving rural housing. To my mind there is no way of meeting the housing crisis without putting almost entire emphasis upon low-cost residential construction. I agree, too, there is no way of meeting it without some Government subsidy. * * *

You may be sure of the support of the National Farmers Union in attempting in every way possible to make the new program work.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. MANSFIELD].

(Mr. MANSFIELD of Montana asked and was given permission to revise and extend his remarks.)

Mr. MANSFIELD of Montana. Mr. Chairman, I am glad that the House is at last considering a bill to take care of the housing needs of our veterans and our families of average income. I am, however, dismayed at the talk of \$6,000 to \$10,000 as being the price of a home. Surely, this does not apply to ordinary American families whose income is so small that they cannot even think of a house on that basis. I feel that the little people of the country are entitled to

every possible consideration in this respect, and with that in mind I introduced H. R. 5515 on February 19. H. R. 5515 would require that of available building materials and facilities 50 percent would be used for constructing homes selling for \$5,000 or less, 25 percent would be used for housing accommodations selling for more than \$5,000 but not more than \$8,000, and 25 percent would be used for other purposes.

This distribution of building materials would, in my opinion, be a fair means of allocating these materials so that the many desiring to build on a \$5,000 or less basis would be given the opportunity to do so. When we consider the income of the great majority of our people it would appear that houses in this category are the ones which will be in greatest demand. It is high time that we give every possible consideration to our lower-income groups, because there the need is greatest and the danger to our future, unless alleviated, is most apparent. Bad housing, insufficient housing, or no housing creates problems such as juvenile delinquency, marital discord, ill health, and slums. One of the ways to overcome these difficulties is in the building of adequate houses on a level within the financial reach of these families.

It is my belief that a housing program on a large scale will not only satisfy the needs of our people, but will also serve as a check on inflation and a means to create employment to the maximum degree. The building of houses will not only tax the capabilities of the construction industry but it will also create business in plumbing fixtures, furniture, electrical appliances, and so forth, and also expedite research in building which will help to develop new types and new materials which can and should be used.

It can be seen, Mr. Chairman, that this program will offer limitless opportunities in many lines and will fit in very nicely with our economy and our goal of full employment. Not only is the need great, but the future will be, once this program gets under way, very encouraging. It is imperative, in view of the times, that we undertake a housing program on the scale envisioned by President Truman and Wilson Wyatt whereby a goal of 2,700,000 houses within the next few years will be built. To fall down on this important assignment will be for us to confess defeat to those men who have fought for us to victory and who expect and need the assurance of adequate housing now.

Mr. Chairman, the number of married veterans who will need homes by the end of 1946 will, according to official estimates, total 2,900,000 families. Add to this other families, totaling 1,200,000, who are living on a doubled-up basis and another group of 560,000 nonveterans who are married will need homes by December 1946 and you can begin to get some idea of the difficult housing problem which confronts our Nation today.

Furthermore, to complicate the situation, it is estimated that 3,395,331 units—or 14.2 percent of existing housing—are in need of repairs and that in 24 percent of existing housing, improvements with respect to running water, plumbing, pri-

vate baths, and so forth, are required, even where major repairs are not.

Mr. Chairman, under unanimous consent, I am inserting at this point in my remarks a copy of H. R. 5515 and a letter from the Honorable John B. Blandford, Director, National Housing Agency, which indicates that good houses costing \$5,000 or less can be built:

H. R. 5515

A bill requiring that of available building materials and facilities 50 percent be used for constructing homes selling for \$5,000 or less, 25 percent be used for housing accommodations selling for more than \$5,000 but not more than \$8,000, and 25 percent to be used for other purposes

Be it enacted, etc., That the President shall allocate, and shall establish priorities for the delivery of, materials and facilities suitable for the construction of housing accommodations in such manner, upon such conditions, and to such extent as he deems necessary in order that of the aggregate supply of such materials and facilities 50 percent thereof will be used for the construction of homes selling for \$5,000 or less, 25 percent thereof will be used for the construction of housing accommodations selling for more than \$5,000, and 25 percent thereof will be available for purposes other than for use for the construction of housing accommodations selling for \$3,000 or less.

SEC. 2. This act shall cease to be in effect June 30, 1947.

NATIONAL HOUSING AGENCY,

Washington, D. C., February 7, 1946.

Hon. MIKE MANSFIELD,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN MANSFIELD: While it is true that the cost of both labor and material for housing has advanced considerably since the prewar days of 1940, there is sufficient evidence at hand to warrant the statement that acceptable housing can be built for \$5,000 or less. Naturally, location, climatic conditions, heating requirements, etc., have an effect on the price of housing. However, reports received on the operation of the priority system for channeling materials into housing within the price limitation of \$10,000 are encouraging.

Report of the first week of operation, January 15 to 18, PR 33 applications for priority assistance totaled 8,741 applications quoting a sales price. Of these, 518 quoted a sales price under \$5,000. In the week ending January 25, 15,948 applications quoting sales price were filed; of these 1,461 applications quoted sales price of less than \$4,500; an additional 1,121 applications quoted a sales price between \$4,500 and \$5,500.

San Antonio, Tex., reported a large number of applications quoting a sales price under \$5,000. On one day in the second week of priority control, out of a total of 755 applications throughout the country quoting a sales price of less than \$4,500, 716 were filed in the San Antonio office. The Omaha office, for the week of January 25, reported 64 applications requesting priority assistance and quoting a sales price. Of these 64 applications, 10 were in the \$4,500-\$5,500 price range and 15 in the \$5,500-\$6,500 range.

Details on the type of housing proposed are not available, but the information quoted above shows that a reasonable percentage of housing accommodations are being built for sale in the \$5,500 range.

Many manufacturers of prefabricated housing are scheduling their operations to produce houses that will sell, erected on a suitable lot, for \$5,000 or less. Some of these manufacturers are expecting to produce two-bedroom houses in volume at a sales price of less than \$4,000 including lot.

The need for housing in the lower cost bracket is great. Studies reveal that more than half of the families in need of housing are in the income bracket that would not warrant the expenditure of more than \$5,000 for a house. As new construction materials and methods are developed through research, there should be a progressive lowering of housing costs and with the will and determination to provide adequate housing at low cost the job can be accomplished.

Sincerely yours,

JOHN B. BLANDFORD, Jr.,
Administrator.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE of Iowa. Mr. Chairman, no one doubts the serious nature of the housing problem. Thousands of returning war veterans are without a home. This is a situation which should not be allowed to exist, and the entire country is crying out for its solution.

The only difference of opinion lies in the type of remedy to be applied. Shall we solve this problem by a return to tried and true methods, or shall we give the public another dose of patent medicine. It is not even a new medicine; it is the old snake-oil remedy of Government regulations and subsidies.

In the past America has built millions of satisfactory homes. For comfort and convenience they are unequalled in any nation on earth. These houses were not built by the Government. They were built by well-trained and experienced people operating in a system of free enterprise. If we would remove some of the present restrictions and let that system operate, we would soon get more building material.

One of the great hardships under which private enterprise now operates is the slowness with which the OPA functions in rendering decisions covering prices. This is well set out in a booklet recently published by the Brookings Institution entitled "Should Price Control Be Maintained?" I quote from page 25 of this report:

Owing to shortages of raw materials in 1943 and 1944, several stove producers were forced to make slight changes in design. In consequence of the resulting higher costs, they filed applications for new price ceilings. During the period from January 1, 1943, through September 1944, decisions had been made by the OPA on 78 applications for new ceilings on stoves. In 50 percent of these cases, 31 to 90 days were required from the time the request was received until a decision was rendered. For 30 percent of them the elapsed time ranged from 90 to 286 days. Only 20 percent were decided in 30 days or less.

A similar record was made in the furniture industry:

In the 28-month period—November 1942 though February 1945—decisions were reached on 49 applications. Thirty-seven percent of these required from 43 to 90 days and 63 percent of them required 91 to 334 days. No decisions were made in less than 43 days.

Another authority points out the same situation in regard to brick and tile plants. With 400 of such plants closed, it took 6 months for the OPA to adjust prices. Since then an additional 125 plants have opened and production is up 35 percent.

OPA ceiling prices during the war resulted in putting out of business many small sawmills. Furthermore, under Government regulations it has been more profitable to produce certain types of lumber not adapted for home building, or to produce lumber for export.

As an example of the effect of the OPA on the lumber industry, I quote from a letter written by an experienced dealer:

The OPA regulations and amendments affecting our business are not clear, are not consistent, are not fair or reasonable, and are almost impossible to procure from OPA offices. Our executive officers have been spending most of their working time for years in trying to figure out what the OPA expects us to do. * * *

As matters stand today, shipments are long delayed, many items are back-ordered or canceled, and many substitutions are made. We cannot commit ourselves to supply a single item unless we have it right in our warehouses. Under this condition our contractors or builders cannot make definite plans. In other words, the production line is all backed up. This increases expense all along the line, and the ultimate consumer pays too much after too long a delay, or he does not get a home at all.

As we see the picture today, the brilliant economic planners employed at fancy salaries and by the millions in Washington have made a dismal failure. There is no record to compare with it in the history of this great Nation—and we want them out.

The proposal for subsidies is particularly obnoxious. Subsidies have usually created more problems than they have solved, as many nations have learned to their sorrow. The experience of the Roman Empire in this field is related by James Anthony Fronde in his book, *Caesar: A Sketch*. The author gives a vivid picture of the subsidized distribution of grain to the people. I quote from the final chapter of this book:

Finally riots broke out and extended day after day. Caius Gracchus was at last killed * * *, and under cover of the disturbance 3,000 of his friends were killed with him.

In spite of the ballyhoo of the OPA, subsidies have not been a success in this country. Producers have uniformly opposed them. I quote the following from a resolution adopted at the special delegates' meeting of the National Cooperative Milk Producers Federation, held in Washington, D. C., on February 19, 1946:

Last year the national income exceeded \$145,000,000,000 dollars, but Congress still authorized the consumer subsidies amounting to \$2,416,000,000 in this the one year in history when people were best able to pay for what they eat and wear. Of this amount \$694,000,000 was authorized for the benefit of consumers of dairy products which is about 20 percent of the wholesale market value of all dairy products at the farm. Continuation of the subsidy policy leaves dairy farmers subject to the shifting winds of administration policy with a price structure resting in the sand. Dairy farmers are threatened with a permanent regimentation and dependence upon Government if the President's policy to maintain ceilings and subsidies until the cost of living turns downward is sustained by Congress.

The Dairy Branch in the Department of Agriculture has predicted the greatest drop in history in dairy production for 1946. This is proof of the ineffectiveness of the subsidy and ceiling system and a warning to con-

sumers of much more drastic shortages to come. If Congress considers that consumers still need subsidies in a time of highest wages and highest employment, let the subsidies be paid direct to those whom Congress feels are unable to pay.

In a free market, prices tend to right themselves. Under a subsidy program there is no incentive toward efficient production. There eventually is nothing but a clamor for more subsidies. Even in our brief experience during the war the amount of subsidies paid tended constantly to rise. For example, the subsidy on choice meat rose from \$1 in October 1943, to \$2 in January 1945. The subsidy on wheat in the Pacific coast area rose from 15 cents in December 1943, to 26 cents in May 1944. Substantial increases also occurred in dairy subsidies.

The proposal to subsidize prefabricated houses is particularly dangerous. It affords a great opportunity for favoritism at the expense of the small builder and the regular building-material manufacturer.

(Mr. GWYNNE of Iowa asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. SMITH].

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, subsidies are paid in Government printing-press money. Government printing-press money is inflation, and there is no other inflation but Government printing-press money. So a person who advocates subsidies and price control at the same time is trying to blow out a fire with his breath while pouring oil on it.

Mr. Chairman, the Patman bill, H. R. 4761, now being considered by the Congress is a delusion and snare. It is disguised in sheep's clothing as a measure designed to provide homes for veterans but when its true nature is disclosed it is found to be nothing less than a scheme for the Federal bureaucracy to seize control of the building industry and thus to further communize our economy.

Obviously, the majority of Congressmen and also the public, are anxious that homes be provided for our veterans. However, we should first inquire why it is that homes for veterans or for other people are not being built. Here is a market, the veterans and the public are waiting cash in hand, the building industry is straining at the leash to supply the materials for homes. What, then, is delaying the building of homes? The answer is to be found in the restrictive policies of the Government itself. Just so long as ceiling prices on building supplies are fixed at less than the cost of production, and just so long as the OPA and other bureaucratic agencies are permitted to impose upon the home-building industry their unconscionable rules and regulations and red tape we can hardly expect any building to be done. Outside of Government, no business can long continue to operate at a loss.

Common sense would therefore dictate that we ought to get rid of the re-

strictions, but such a procedure would be far too simple to satisfy our Government planners. Some device must be found to further restrict and regiment the people, and at the same time furnish soft jobs for the deserving. So we have the Patman bill.

There is no point to the claim that priorities, allocations of material, and price ceilings are needed. The hearings will clearly show that the Government already has those powers and can use them as efficiently without the aid of the Patman bill as with it.

My contention is that the main purpose of the Patman bill is not to provide homes for veterans but to set up a dictatorial Government agency to seize power and promote the totalitarian state.

It is blithely stated by supporters of this measure that the veteran would be benefited by the provisions in the bill which places ceiling prices on new homes. This contention needs examination. The fact is that the Government already has authority to fix ceiling prices on all of the materials that go into the construction of homes. About all the bill does is give the Government authority to fix the price which the person who builds the home charges for his services. In fact, the procedure resolves itself into a cost-plus proposition. After the total cost of all the materials delivered on the building site are in, and the home is completed the builder is allowed a fixed fee for his services.

What an opportunity this cost-plus arrangement would provide for running up the building costs. Have we not had enough experience with the outlandish waste and inefficiency which has attended the Government's cost-plus contracts? Obviously such an arrangement would greatly relieve home builders of the responsibility for keeping construction costs low. Home builders who testified on this bill said as much.

Not a bit of testimony was given before the House Committee on Banking and Currency to substantiate the claim that veterans would be able to buy houses cheaper under the Patman bill than they would if the OPA and other Government agencies raised ceiling prices on building materials and allowed wages to rise sufficiently to permit full production of those supplies. All of the evidence bearing upon this subject was to the contrary.

There would be the additional cost of bureaucratic administration, filling out yards of useless and time-consuming forms, inspecting the materials and work that go into the house, appraising the lots and searching into whether any speculation might be involved in their price. There would be the usual delays and interruptions which are normal accompaniments of bureaucratic administration. Then there would also be the loss of time by the prospective buyer, and the builder, caused by their being compelled to keep records and make reports and furnish, under oath or otherwise, whatever information the building czar might ask for.

Add to the cost of bureaucratic administration that which would surely develop under the cost-plus arrangement and the chances are just about a million

to one that if the Patman bill is passed veterans and other persons will be compelled to pay more for new homes than they would without the cost-plus arrangement, and if the Government allowed ceiling prices on building materials and wages to rise sufficiently to permit full production and a free flow of those materials into the communities where new homes are needed.

The Patman housing bill is an outright dictator bill. Sec. 703 (a) would empower the home building czar to go into the books and files of any person, firm, or corporation who is engaged in producing, selling, distributing, or is in any way whatsoever connected with any material or article that goes into the construction of a home, including land and improvements. This is the interpretation given me by Mr. Carl McGowan, associate general counsel, Office of War Mobilization. If this is not dictatorship, what is it?

Just recently the Nation was shocked by the attempt which was made by the President to force General Motors to open its books to his fact finding board. Public sentiment forced him to abandon that venture. Undaunted and determined, we see that attempt repeated in the Patman bill.

Section 703 (a) would further empower the housing czar to force any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy any housing accommodation to furnish information under oath or affirmation, or otherwise, to make and keep records, and to make reports in respect of such dealings, sales, rentals, purchases, and offers. The czar would have the power of subpoena to force such person to make available to him records and documents for his inspection, to furnish any information under this section, to appear before him to testify and produce documents at any place he designates. He is empowered to direct the district courts to make any person obey his orders. An innocent mistake on the part of any person in complying with these provisions could condemn him to prison for a year and the payment of a \$5,000 fine.

The knowledge of these facts alone would so frighten thousands of home builders as to drive them out of business. That would be, of course, sauce for the bureaucrats, for they could then repeat their sweet refrain, "private enterprise can't do the job, so the Government must step in."

Is this Congress going to impose such bedevilment as this upon as fine and valuable a group of citizens as the Nation comprises? Is this Congress going to vote outright to make this land of ours a dictatorship?

Just as a part—more than 40 percent—of the war cost was paid with Government printing-press money, so it is proposed in the Patman subsidy amendment that the peace costs for housing shall be met in part with Government printing-press money. It should not be overlooked that the financial foundation of the New Deal has always been Government printing-press money. A large portion of the so-called recovery meas-

ures during the 1930's was met by this means.

It is probably apropos to explain at this point how the payment of subsidies in the building of homes would affect veterans. The claim that shortage of goods is causing inflation is a falsehood. I know of no instance in all history where a shortage of goods in itself caused true inflation. If there is a shortage of goods and no increase in the total amount of money there can be no inflation. Shortage of goods causes price rises, but not inflation. As soon as the shortage is relieved prices drop back to their former level. But not so when inflation, that is, when Government printing-press money has been injected into the economy, for even should the shortage of goods be made up, prices rise until a balance is reached between the volume of production and the volume of Government printing-press and other money.

The fact is that inflation causes shortages of goods and not the other way around, as so many would have us believe. It does this because Government printing-press money continues to depreciate, lose its buying power, which is reflected in higher and higher prices. This has the effect of disordering all financial transactions, making them uncertain, which in turn disrupts production.

Since the money to pay subsidies must be raised by way of the Government printing press, whatever benefit a veteran might derive from a subsidy on his home he would more than lose in higher costs of living engendered by the increase in the volume of money created by the Government printing press.

Of course, if subsidies were used only for veterans they might derive a doubtful benefit, but it is the principle of the procedure which is the evil, and which is bound to injure them along with everyone else. If subsidies for veterans' homes, then subsidies will be paid to other groups as well. It is the effect of the total amount of subsidies that are paid out which must be measured to determine the damage done veterans, not only the effect which the particular subsidy they might receive.

Subsidies are most powerful instruments for the development of communism. Socialist Germany had and Communist Russia has plenty of subsidies. Free enterprise and liberty are wholly incompatible with subsidies. This is the all-important consideration respecting subsidies for veterans' homes.

In any event, the subsidies which the Patman amendment would provide would not go to veterans at all. It is not even proposed that they shall. They would go to producers of building materials, and much, if not most, might go to manufacturers of prefabricated houses. It would be a mighty small trickle that would ever get to the veteran.

I have made the charge that the real purpose of this proposal is not to furnish homes for veterans but to give the Government power to capture and socialize the building industry. Throughout the war the communistic element in the Government has been devising ways and means for setting up a program of all-out production in peacetime based on the

formula that was used to produce war goods.

We now have before us the first attempt to carry out that policy. Just as the New Deal regimented everybody and everything to fight the war, so now it proposes to regiment everybody and everything to fight the peace.

What the bureaucracy is after here is to have all the war powers made perpetual. It seeks not only to make permanent the OPA and all the other Federal agencies which exercise powers over prices, wages, allocations, and priorities, but to enlarge their authority and intensify their activities. This is all too evident. A sample of the proof of this is to be found in their present efforts to enlarge the OPA staff so that it can crack down harder on our people who are already overborne by its brow-beating tactics.

But the overpowering urge that motivates the bureaucrats to have the war mule of production applied in peace time is their craving to hold on to their jobs.

The Congress is now considering the first attempt by the planning cult, whose God is political power, through Government printing-press money, to carry out their avowed policy of applying the war-production formula to peacetime production. Just as we had all-out or total production of, say, war planes, so now we are being asked to pass legislation empowering the doctrinaire social planners to set up a program for total production of homes for veterans.

The self-same powers that regimented our people to make war are now to be used to regiment them to build houses. And, judging by the looks of the provisions in the Patman bill and other ominous signs appearing in the political skies, it is reasonable to assume that the powers that be in Washington intend that the goose stepping become more intensified and onerous in peace than it was in war.

The shortage of homes caused by the war is being aggravated and exploited by the bureaucracy to usher in the policy of applying the war pattern of production to peacetime production.

Just as the bureaucracy seized upon the sufferings, deaths, and terrors of the war to enlarge its force and more securely entrench itself in power, so now it seeks to further aggrandize itself, not only by preying upon the hardships which have been occasioned by the war, but by intensifying them. As though there were no limit to the excesses of this monstrous evil it seeks in the Patman bill to pounce upon the need of veterans for shelter to protect themselves and their families from cold and storm as a shield to hide its real designs.

We should not overlook the more far-reaching and enduring effects the Patman bill would have upon the veterans. Supposing the miraculous were to happen, and they did receive some benefit from it in the way of lower prices on homes, and more of them, would such evanescent good be worth the loss of freedom they and their children would have to bear?

My colleagues, if the Federal bureaucracy succeeds in this attempt to communize the home-building industry, how shall we be able to stop it from going all the way and completing the totalitarian state? Will it not be much more difficult to prevent it from doing this if we pass this bill? Once this bill is passed and the war formula of production has been adopted, then the pattern will have been set, and, considering the great inroads communism has already made in all parts of the economy the task of halting the advance of this, the greatest of all social evils, will be immeasurably increased.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Arizona.

Mr. MURDOCK. The gentleman comes before us as an authority on money. I notice that in the first part of his remarks he several times used the expression "Government printing-press money."

Mr. SMITH of Ohio. Yes.

Mr. MURDOCK. Will the gentleman indicate what part of the money we now have known as reserve of purchasing power is Government printing-press money?

Mr. SMITH of Ohio. Anywhere from \$225,000,000,000 to \$275,000,000,000.

Mr. MURDOCK. Do you regard Federal Reserve notes as Government printing-press money?

Mr. SMITH of Ohio. Not all of them, but some.

Mr. MURDOCK. Do you regard silver certificates as printing-press money?

Mr. SMITH of Ohio. Yes.

Mr. MURDOCK. What about bank credit represented by check money? That would not be included as Government printing-press money, would it?

Mr. SMITH of Ohio. There is about \$100,000,000,000 as check money in the commercial banks which has been created by the Government printing press.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WOLCOTT. Mr. Chairman, I yield one additional minute to the gentleman.

Mr. CRAWFORD. Did not Mr. Mariner Eccles, Chairman of the Board of Governors of the Federal Reserve System, testify only yesterday that the Government had through its fiscal policy which it has been following brought about the monetization of about \$95,000,000,000 to \$114,000,000,000 of this very printing-press money about which the gentleman has been asking questions?

Mr. SMITH of Ohio. That is what I had in mind.

Mr. CRAWFORD. Only yesterday we had that testimony from the top man of the Board of Governors in the Federal Reserve System.

Mr. SMITH of Ohio. That is correct.

Mr. CRAWFORD. He begged and pleaded with us to discontinue that operation and pointed out that the OPA could not succeed in this undertaking unless we change our course.

Mr. SMITH of Ohio. Which meant that the OPA cannot succeed unless we also stop subsidies, because they are pro-

vided by the Government printing press.

Mr. CRAWFORD. Certainly.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield further?

Mr. SMITH of Ohio. I yield.

Mr. MURDOCK. I have always regarded one kind of money as deserving of the name printing-press money, and that is the Lincoln greenbacks. I cannot understand how you can say that Federal banknotes are Government printing-press money.

Mr. SMITH of Ohio. I did not say all of them are.

Mr. MURDOCK. I will admit that they are printed by the Government on Government printing presses, but they are backed by United States bonds.

Mr. SMITH of Ohio. It so happens that United States bonds may also be Government printing-press money. That is the trouble.

Mr. WHITE. Mr. Chairman, will the gentleman yield for a question?

Mr. SMITH of Ohio. I yield.

Mr. WHITE. The gentleman says that silver certificates are Government printing-press money. Does he regard gold certificates in the same category as printing-press money?

Mr. SMITH of Ohio. No; let me modify my statement to this extent. Silver certificates are Government printing-press money by the amount their nominal value exceeds the world market price of silver.

Mr. WHITE. Does the gentleman appreciate the fact that if restrictions were off silver today, silver would go much higher than its monetary value in the United States and that it is now higher in many parts of the world?

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

(Mr. CRAWFORD asked and was given permission to revise and extend his remarks.)

Mr. CRAWFORD. Mr. Chairman, my purpose in taking time at this particular moment is to place in the RECORD two amendments which I propose to offer tomorrow, if I have an opportunity, to the bill H. R. 4761.

On page 11, section 705 (a), line 15, after the word "accommodations", insert "in rural and urban areas, and for the construction and repair of essential farm buildings."

Then, on page 11, line 24, after the comma following the word "prices", insert "(2) The need for the construction and repair of essential farm buildings."

On page 11, line 24, strike out the numeral (2) and insert (3).

On page 6, line 1, after the word "accommodations", insert "the construction of which is completed after the effective date of this act."

On page 10, line 17, following the word "accommodations", insert "the construction of which is completed after the effective date of this act."

On page 12, line 16, following the word "accommodations", insert "completed after the effective date of this act."

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. Why does not the gentleman give the people who have already started building a chance by changing that to "work that has been begun after the effective date of this act"?

Mr. CRAWFORD. That is a very fine suggestion.

Mr. HINSHAW. After all, these fellows who have been trying to complete jobs at the present time and have been unable to do so because of the intervention of the new priority system, are in a terrible box.

Mr. CRAWFORD. It would be unfair if the Congress should penalize the very group that has been trying to alleviate the housing shortage.

Mr. HINSHAW. I have a telegram from my district which says:

Between twelve and fifteen thousand houses can be finished with proper assistance rendered now, but that assistance comes in the nature of priorities under a new priority system.

And if they cannot complete them, there they stand without flooring, without hardware, and many other things that they cannot get, and they should have a chance to finish those houses and sell them.

Mr. CRAWFORD. I would be willing to go along with the gentleman on that.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. GAMBLE. Could that not be cured by saying, "the construction of which was commenced before the effective date of the act, and which is not completed"?

Mr. HINSHAW. If you are going to except these from the terms of the act, you give those fellows a chance, at least except them from certain parts of it, and include them for priority purposes, so that they can get materials with which to finish the houses, we will have twelve or fifteen thousand more houses in an area that needs a hundred thousand.

Mr. GAMBLE. That question was raised in the hearings the other day.

Mr. CRAWFORD. The first three amendments offered are for protecting those who are attempting to produce this food stuff under the pressure which is being placed on farm operators and farm workers by the Department of Agriculture for increased output.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield further?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. In the part of the country from which I come, particularly in my home city, it is reported by the city fathers that there are from 500 to 800 livable dwellings that could be rented if the OPA would give the owners of that property a chance to rent them at a little advance so that they could afford to pay for plumbing repairs, roof repairs, and redecorating, and so forth, and still break even. Likewise, to give them a chance to evict tenants who are destructive. The gentleman has his new bill before the committee, and I hope he will give that matter consideration in order to increase the housing available.

Mr. CRAWFORD. Let me assure the gentleman that is not my bill.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. GILLESPIE].

Mr. GILLESPIE. Mr. Chairman, it has been stated this afternoon that the Government under this bill could build some 2,700,000 homes in a 2-year program, but that private industry could only build around 400,000. No one has shown why private enterprise could not build as many homes as government-managed economy can build, and if private enterprise cannot build as many as a government-managed economy, it is because of the red tape imposed on private industry.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GILLESPIE. I yield.

Mr. PATMAN. The gentleman does not assume that it is a Government public-building project?

Mr. GILLESPIE. No. It is not a Government building project, but it is tied up with Government regulations.

Mr. PATMAN. No. It is private enterprise, strictly. We are trying to stay away from public building.

Mr. GILLESPIE. But it is all tied up with a building czar, rules, and regulations even tighter than they are today.

Mr. PATMAN. For the protection of people who would suffer if they did not have it.

Mr. GILLESPIE. I cannot see how it is protecting anyone when it is the very policy itself that has held things back and has prevented production because prices in many instances have been below the cost of production. If the subsidy acts in this case as it did in the case of the dairy industry it certainly will not help to get materials out to build anything.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GILLESPIE. I yield.

Mr. GORE. I am sure the gentleman recognizes that the proposed production incentive payments in this case are intended to be and will operate differently from the dairy subsidy. The dairy subsidy was a consumer subsidy; this is a production incentive to bring out an increased production by bringing the high-cost producers into production.

Mr. GILLESPIE. Whatever the subsidy is called, whether you call it a subsidy to the manufacturer or to the consumer, it is Government money, and anyone who buys anything under it should get that benefit. In other words, it would seem to me as though we were just kidding ourselves, and complicating an already complex situation. Any good executive will tell you that success lies in making complicated things simple and not complicating simple things.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield further?

Mr. GILLESPIE. I yield.

Mr. CRAWFORD. Here is a bill which says in effect the Government can set the price of a job on a cost-plus basis, if you please, and the Government may pay a subsidy to get the materials produced to go into that job. If that is not a consumer subsidy I wish someone would educate me on what a consumer

subsidy is. This is a 100-percent consumer subsidy.

Mr. GILLESPIE. If it is not a consumer subsidy the money is wasted.

Mr. CRAWFORD. The producer certainly does not need a subsidy if he can get a fair price for the stuff he produces, if you will let him produce it at a little profit.

Mr. GILLESPIE. There is not a producer or manufacturer of building materials today who cannot sell many times what he can manufacture; so he does not need any subsidy if he can get the price that he has to have. He has to have an increase in price to pay this advanced cost of manufacture. Given that, he can go ahead and do business; and I can see no reason why the people of America today should go further into debt than they are to give subsidies for things of this kind, and mess around with subsidies for future generations to pay.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GILLESPIE. I yield.

Mr. GORE. I am sure the gentleman recognizes that at a given price some producers can make a reasonable profit whereas at the same price other producers with higher cost factors involved would have to operate at a loss and, therefore, we would be denied the production which this high-cost producer could turn out.

Mr. GILLESPIE. Then you are paying a subsidy or a premium to the least efficient manufacturer at the expense of those who are doing a better job and are really paying a subsidy for inefficiency and poor management; one of the basic rules of economics is that we would produce materials where they can be best produced for the least money. The subsidy proposal puts a premium on inefficiency and waste in operation and brings up the total price.

How would the Government determine how inefficient a manufacturer would have to be before he would be allowed the subsidy, and would the subsidy be different for different degrees of inefficiency and uneconomical operation. The chances are they would send out a highly educated but totally inexperienced, individual who knows very little if anything about practical business, have him go over the books and determine just how inefficient the particular manufacturer happened to be and then the subsidy would be paid to that manufacturer, in exact proportion to his particular inefficiency, where his competitor in the same line of business would be denied the subsidy because he was managing his business better. Then again, if this highly educated and inexperienced Government employee happened to take a liking to one manufacturer and a dislike to the other, that might be the determining factor as to who would get the subsidy. Then, too, in some cases there might be other valuable considerations which would not be mentioned in the Government findings. The subsidy is just another way of doing it wrong and would certainly retard production.

Mr. GORE. For the purpose of obtaining increased production it is vitally needed at this time.

Mr. GILLESPIE. We can get all the production we require if we raise the price just enough to cover the additional cost of manufacture, and if a subsidy is paid it should be paid directly to the veteran, who is certainly more entitled to it than it should be paid directly to the veteran, to the economy rather than the economy to the veteran. The Government did not subsidize colleges in order to reduce tuition for veterans. It gave the veterans a direct subsidy to attend college. In the final analysis, all of the people of America have to have living quarters, and eventually will have, but under the subsidy plan the veteran would have no advantage over anyone else and the veterans know that they are the ones who will eventually have to pay the most of this enormous tax load.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. WOLCOTT. Mr. Chairman, I yield five additional minutes to the gentleman from Colorado.

Mr. GILLESPIE. If we of this House make the mistake of authorizing a grant of subsidies on building materials, don't forget we are borrowing every dollar that it takes to do it, and that not only is inflationary, but it is inflation. And whether we do it by selling bonds or printing money, in the last analysis, it could be called printing press money. My friend from Arizona a while ago asked what printing press money was. Whether it is bonds or greenbacks, if the Government prints it without metallic backing it is printing press money.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. GILLESPIE. I shall be pleased to yield to the distinguished gentleman from Idaho.

Mr. WHITE. The gentleman is 100 percent right. The only difference between greenbacks or the so-called Treasury notes issued by the administration of President Lincoln and the money we are issuing today is that once the money and the bonds are removed from the printing press interest charges begin to run on every dollar that circulates through our Federal Reserve notes, and we are paying a huge interest income to banks for the use of money backed by Government credit. Whether it is money or bonds, they are both backed by Government credit, the one directly and the other, bonds, indirectly. Both stem from the same source, Government credit.

The gentleman is 100 percent right.

Mr. GILLESPIE. I thank the gentleman for his contribution as everyone in this House values his opinion as an expert on "hard money." As a matter of fact, wherever inflation has gotten out of control in the world, silver and gold have disappeared from circulation. There is not a single exception to that rule. If you go into any country of Europe where they have had wild inflation, you will not be able to get a piece of silver the size of a dime.

Mr. WHITE. I wonder if the gentleman appreciates how right he is. Two years ago we had a surplus of some billion seven hundred and fifty million in

silver. Today we have less than a million dollars of surplus of silver in this country. It has all disappeared. It is supposed to have gone for the greenback bills, but I would like to trace that silver to see if it has gone into foreign countries. It has disappeared as far as America is concerned.

Mr. GILLESPIE. Much of it has undoubtedly gone into foreign countries. We are treading on dangerous ground if we print bonds and greenbacks unless we have metal back of them. I am willing to trust metal, but I am not always willing to trust men.

The CHAIRMAN. If there are no other requests for time, the Clerk will read the bill for amendment.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, as I understand it, the whole bill must be read as a section, is that correct?

The CHAIRMAN. The gentleman is correct. There is only one section to the bill.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the bill be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The bill follows:

Be it enacted, etc., That the National Housing Act, as amended, is amended by inserting after title VI thereof a new title, as follows:

"TITLE VII—STABILIZATION OF HOUSING PRICES

"SEC. 701. (a) The purposes of the title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate; to eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices; to encourage the production of housing at a fair profit; to improve the housing of the people of the Nation in order to foster their health and general welfare; to encourage employment in the housing construction industry, and to maintain such industry at a high level of productivity; to prohibit an undue dissipation of the savings of the people in the Nation in the purchase of homes at speculative prices; to permit returning veterans to acquire housing at fair prices; and to prevent a post-emergency collapse of values in the housing field and to promote a swift and orderly transition to a peacetime economy.

"(b) The provisions of this title, and all regulations and orders issued thereunder, shall terminate on December 31, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress declaring that the provisions of the act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

"(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"SEC. 702. (a) There is hereby created the Office of Housing Stabilization, which shall be headed by a Director of Housing Stabilization (hereinafter called the "Director"). The Director shall be appointed by the Presi-

dent, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The Director may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this title, and shall fix their compensation in accordance with the Classification Act of 1923, as amended.

"(b) The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title. In order to carry out this program, the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

"SEC. 703. The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title. The Director is authorized to require any person who owns, holds an interest in, deals in, or offers to sell or to buy any housing accommodations to furnish information under oath or affirmation or otherwise, to make and keep records, and to make reports. The Director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations. For the purpose of obtaining any information under this section, the Director may be subpoena require any such person to appear and testify or to appear and produce documents, or both, at any designated place. In case of refusal to obey a subpoena served upon any person under this section, the court for any district in which such person is found or resides or transacts business, upon application by the Director, shall have jurisdiction to compel compliance with such subpoena.

"No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 edition, title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

"SEC. 704. (a) Whenever in the judgment of the Director the sales prices of housing accommodations have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of housing accommodations as in the judgment of the Director may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Director shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

"(b) Any regulation or order issued under the authority of this title establishing maximum sales prices for housing accommodations the construction of which is completed after the effective date of this title shall provide for the fixing of a maximum sales price consisting of (1) the actual costs of the construction of the unit which are not in excess of the legal maximum prices of the materials and services entering into such construction, (ii) the fair market value of the land sold with the housing accommodation, but in no event less than the actual cost of land purchased prior to the effective date of this act,

and (iii) a margin of profit reflecting the generally prevailing margin of profit upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for the establishment of a maximum sales price at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a maximum sales price has been fixed on a basis of estimated costs the prospective seller may, at any time before the first sale and upon a showing that the actual legal costs have substantially exceeded the estimated costs, apply for such revision of the maximum sales price as may be justified under the circumstances; and the Director may similarly reduce the maximum sales price if the estimated costs were substantially in excess of the actual legal costs. No subsequent sale of such newly constructed housing accommodation shall be at a higher price than than established for the first sale.

"(c) Any regulation or order issued under the authority of this title establishing maximum sales prices for housing accommodations in existence and occupied on or prior to the effective date of this title shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations after the effective date of this title.

"Any regulation or order under this subsection shall provide for the making of appropriate adjustments in the maximum sales price where substantial improvements have been made subsequent to the last sale.

"(d) The Director may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Director are necessary or proper in order to effectuate the purposes of this title.

"(e) Whenever in the judgment of the Director such action is necessary or proper in order to effectuate the purposes of this title, he may by regulation or order make such provisions as he deems necessary to prevent the circumvention or evasion thereof and he may regulate or prohibit speculative or manipulative practices (including the requiring of the purchase of land prior to or as a condition of undertaking construction work or the requiring of the purchaser of housing accommodations to buy additional land or any commodity or service as a condition of securing such housing accommodations) in connection with the sale of any housing accommodations which in his judgment are equivalent to or likely to result in price increases inconsistent with the purposes of this title.

"SEC. 705 (a) Whenever in the judgment of the Director there is a shortage of building materials for the construction of needed housing accommodations, he may by regulation or order allocate such materials in such manner and upon such conditions as he deems necessary and appropriate in order to effectuate the purposes of this title, with particular regard for the need for the construction of low-cost housing accommodations and the need for housing accommodations for rental.

"(b) Whenever in the judgment of the Director there is a shortage of housing accommodations, he may by regulation or order give preference in purchase or renting of housing accommodations, the construction of which is completed after the effective date of this title, in such manner and upon such conditions as will effectuate the purposes of this title, with particular regard for the housing needs of veterans of

World War II and their immediate families.

"SEC. 706. Whenever in the judgment of the Director there is no practicable alternative method for securing the construction of adequate housing accommodations in an area where the shortage of housing accommodations is acute, he is authorized to subsidize the construction of new low-cost housing accommodations. Any such subsidy assistance shall be granted on terms involving the minimum expenditure of funds necessary to secure the needed construction, and upon such other terms as are necessary and appropriate to effectuate the purposes of this title. Appropriations are hereby authorized to be made for subsidy payments under this section.

"SEC. 707. It shall be unlawful for any person to effect, either as principal or broker, a sale of a housing unit at a price in excess of the ceiling price which shall be applicable under the provisions of this title, or to offer, solicit, attempt, or agree to making any such sale. Notwithstanding any termination of this title as contemplated in section 701 (b) hereinabove, the provisions of this title, and of all regulations and orders issued thereunder, shall be treated as remaining in force, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"SEC. 708. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this title may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with law or is arbitrary or capricious.

"SEC. 709. (a) Whenever in the judgment of the Director any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 707 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Administrator that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"(b) Any person who willfully violates any provision of section 704 of this title, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 703, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than 1 year or to both such fine and imprisonment. Whenever the Director has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General who may, in his discretion, cause appropriate proceedings to be brought.

"(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 707 of this title, and, concurrently with State and Territorial courts, of all other proceedings under the section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or

wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Director or the United States Government in any proceeding under this title.

"(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within 1 year from the date of the occurrence of the violation, bring an action for treble the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and costs as determined by the court. If the buyer fails to bring an action under this subsection within 60 days from the date of the violation, the Director may bring such action on behalf of the United States within 1 year from the date of the violation. If such action is brought by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation.

"SEC. 710. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this title.

"SEC. 711. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other persons or circumstances shall not be affected thereby."

Mr. PATMAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. SPARKMAN, having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H. R. 4761), to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, had come to no resolution thereon.

APPOINTMENT TO COMMITTEES

Mr. COOPER. Mr. Speaker, I offer a privileged resolution (H. Res. 533) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the following-named Members be, and they are hereby, elected, members of the following standing committees of the House of Representatives:

Education: JOHN S. WOOD, Georgia.

Elections No. 2: HELEN D. MANKIN, Georgia.

Elections No. 3: JOHN S. WOOD, Georgia.

Civil Service: HELEN D. MANKIN, Georgia.

Claims: HELEN D. MANKIN, Georgia.

Military Affairs: J. LINDSAY ALMOND, Jr., Virginia.

Post Offices and Post Roads: SAM J. ERVIN, Jr., North Carolina.

Revision of the Laws: HELEN D. MANKIN, Georgia.

War Claims: JOHN S. WOOD, Georgia.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that I may extend my remarks at that point in the RECORD

where the House today passed Senate Joint Resolution 136.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD.

Mr. RABAUT asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in the first on the subject of the St. Lawrence seaway and power project, and in the second to include an article from the Detroit Democratic News.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include copies of two amendments which will be proposed to the pending bill on tomorrow.

Mr. WHITE. Mr. Speaker, today I introduced a bill to provide for the remonetization of unobligated silver in the Treasury. I ask unanimous consent that that bill may be printed at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The bill referred to follows:

A bill to provide for the monetization of the unobligated silver in the Treasury to make an inventory of our national mineral resources, and other purposes.

Be it enacted, etc., That for the purpose of making an inventory of the mineral resources of the United States and its Territories and for the examination, exploration, and development of the potential mineral resources therein, and for the purchase and stock piling of strategic metals essential to national defense and security, the Secretary of the Treasury is authorized and directed to create a special fund by setting aside all unobligated silver held in or belonging to the United States Treasury to be known as the "mineral resources reserve". The term "unobligated silver" shall mean all silver now held by the Treasury or later purchased by the Treasury which is not now monetized and held as a reserve against silver certificates now in circulation.

SEC. 2. (a) Such inventory shall be conducted by the United States Bureau of Mines and the United States Geological Survey under the direction of the Secretary of the Interior and shall include investigation, examination, and exploration of potential mineral resources by geophysical, diamond drilling, and other recognized and approved mining methods.

(b) Upon application by the owner or operator of a mining property, a preliminary examination shall be made by a representative of the Department of the Interior and if such examination justifies diamond drilling or other exploration, such exploration shall be carried out as promptly as possible.

(c) Purchase and stock piling of strategic metals shall be made upon the recommendation by, and under the supervision of, a board comprised of the Secretaries of War, Navy, and Interior.

(d) When an application is made to the Secretary of the Interior by any owner and/or operator of any mineral or placer claim, or group of mineral or placer claims, located on the public domain or within a national forest of the United States, for the construction of a road and bridges necessary for the transportation of mineral products of, or supplies for, such mineral or placer claims, it shall be the duty of the Secretary of the Interior to cause an examination of said mineral or placer claims by a qualified

representative of the United States Geological Survey or the United States Bureau of Mines, and when it is shown to the satisfaction of the Secretary of the Interior that development on a mineral or placer claim or group of claims situated on the public domain or within any national forest of the United States has proved the existence of mineral or ore bodies in quantity and commercial value sufficient to warrant the expenditure of public moneys for the construction of roads and bridges to facilitate the operation and development of such mineral or placer claims, the Public Roads Administration is authorized to provide the construction, reconstruction, or repair of roads, trails, and bridges on the public domain or within the boundaries of any national forest in aid of the development and operation of such mineral claims.

(e) Any road, trail, or bridge constructed or reconstructed or repaired as provided in this act shall be available for the use of the general public, under such rules and regulations as may be prescribed by the Public Roads Administration.

SEC. 3. (a) All costs and expenses incurred by such inventories, examinations, explorations, access roads, and purchase and stock piling of metals shall be paid by the issuance of silver certificates secured by silver monetized from the above referred to mineral resources reserves. As such costs and expenses are from time to time certified by the Secretary of the Interior, the Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may prescribe in payment thereof. There shall be maintained in the Treasury as security for all such silver certificates issued in payment of these expenditures an amount of silver in bullion or standard silver dollars of a monetary value equal to the face amount of such silver certificates.

(b) All such silver certificates issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption.

(c) Expenditures under section 2 of this act shall not exceed the profit accruing to the United States Treasury because of the monetization of silver in said mineral resources reserve, the profit to be determined by deducting the cost price of said silver from the monetized price of same, less such deductions for brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined, not to exceed the actual cost thereof.

The balance of the silver in this mineral resources reserve not designated above as profit shall be available for the mining of silver coins of \$1 or less denomination, or as security for other silver certificates.

EXTENSION OF REMARKS

Mr. ROWAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Star and also to extend his remarks and include an editorial from the Chicago Times.

Mr. PLUMLEY (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD and include an article.

Mr. REECE of Tennessee (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD and include a speech.

Mr. McDONOUGH (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD in two

that by vicious twisting and innuendo can be used to vilify not only the Committee on Military Affairs but the Committee on Un-American Activities and Members of Congress. His particular animus is to hit back at H. Ralph Burton, who dismissed him.

This book recently published by Henry Hoke and the statement which appeared in the RECORD on February 12 follow the pattern that has been evidenced in so many Communist publications, and for the purpose of the RECORD I shall refer to some of these briefly.

Hoke states in his book, and this is included in the statement which appeared in the RECORD, that H. Ralph Burton was at one time counsel for Father Coughlin. Of this there is no doubt, as for several years, specifically from about 1932 to 1936, Burton was engaged in his legal capacity by Father Coughlin, and for this he offers apologies to no one.

It is stated that at one time he was counsel for the National Society, Daughters of the American Revolution. This is true. Some years ago an attack was made upon this society, proven to be instigated by Communists, and Burton was employed as counsel to defeat this attempt upon the existence of the society, and this he succeeded in doing. For this he apologizes to no one.

It is stated that he was counsel for the American Coalition of Patriotic Societies, than which there is no finer organization in this country. I have here a list of the patriotic organizations composing the American Coalition of Patriotic Societies, among which are Dames of the Loyal Legion of the United States; Descendants of the Signers of the Declaration of Independence; General Pershing chapter, American War Mothers; Ladies of the Grand Army of the Republic; National Camp, Patriotic Order Sons of America; National Society, Daughters of the Revolution; National Society, Daughters of the Union, 1861-65; United Daughters of the Confederacy, New York chapter; and United States Naval Reserve Officers Association, too well known to the Members of the House to warrant further comment. It is true that Burton represented these patriotic societies, and for doing so he need apologize to no one.

Hoke further states in his book that Hans Wilhelm Rohl, the alien contractor who failed to finish his contract on time for the defense of Pearl Harbor, set forth in an affidavit that he had been approached by a witness who had previously appeared before the Military Affairs Committee with a proposition to arrange for stopping the investigation for a certain sum of money, but beyond his unsupported statement he offers no proof. A reading of the report of the House Military Affairs Committee definitely clinches the fact that if such a proposition were made it ended where it began.

He states that Burton is anti-Semitic and anti-Negro, but he offers no proof of this, and that it is not true can be shown if any committee or Member of the House is sufficiently interested to inquire.

I have now come to what is the most inexcusable, the most vicious and lowest type of attack. Not content with endless

attacks upon Burton over a period of years, clearly for the purpose of eliminating him from investigations which he has conducted over a period of 9 years for the House and Senate, the Communist group now attacks his son. The latter is a lawyer by profession and enjoys a reputation which is beyond question. He gave up a lucrative practice to enter the Coast Guard in this war, declining to ask for a commission and remaining in the Coast Guard until separated for physical reasons.

I shall not go on further in characterizing these attacks, but I do wish to call attention emphatically to the fact that although Burton has conducted investigations for the House and Senate for nearly 9 years, there has never been filed with any committee which he has served so much as a scintilla of evidence against him. All that has appeared against him in Communistic publications has never been supported by an iota of factual evidence. Now, as to Burton himself.

A man's background is always important. H. Ralph Burton's ancestors along more than one line have been on these shores since the early 1600's. One line settled in Virginia and Maryland. Another ancestor came over with William Penn to found Pennsylvania, his grandson being Caesar Rodney, who signed the Declaration of Independence as a representative from Delaware. Two of his family have served in this House. Truly this is an American background.

H. Ralph Burton was born in Washington, lived here all his life, attended the public schools, Friends School, Columbian, now George Washington, University, and took his degree in law from Georgetown University. He is a member of the bars of the Supreme Court of the United States, the United States Circuit Court of Appeals for the District of Columbia, the United States District Court for the District of Columbia, and a member of the Bar Association of the District of Columbia. In his earlier law practice he was associated with the Honorable John G. Carlisle, formerly Secretary of the Treasury, Speaker of the House of Representatives, and Senator from Kentucky.

Early in 1938 he became an investigator for the Senate Campaign Expenditures Committee, of which the Honorable Morris Sheppard was chairman. He covered the States of North Dakota, Kentucky, and Arkansas.

Burton was thereafter named as an investigator for the Works Progress Administration Subcommittee of the Committee on Appropriations of the House of Representatives, of which the Honorable Clifton A. Woodrum was chairman, and for over a year beginning in 1939 had charge of investigations in the State and city of New York, which were separate administrative units. These investigations covered every phase of the Works Progress Administration activity and included contract relation, construction of airports, school buildings, highways, sewerage systems, accounting, union interrelations and jurisdictions, unemployment, relief, legality of project operation, financing, sabotage, workers' alliance, and Federal project No. 1—

Theater, art, music, writers, and historical records survey.

It was in connection with the arts project of the Works Progress Administration that Burton first incurred the hatred of communistic elements. Six weeks after his arrival in New York he had discovered sufficient evidence to cause the Appropriations Committee to deny the use of funds for the continuation of the theater project throughout the United States, resulting in the elimination of thousands of Communists or fellow travelers from the Federal pay roll and the saving of over \$15,000,000 a year.

He continued on this investigation for over a year, resulting in extensive corrective results, among which was the requirement that employees of the WPA should work 130 hours a month for their monthly pay instead of being permitted to draw union wages and work only 30 to 40 hours in a month for the maximum monthly wages.

He located Communists working on vital statistics, such as plans and specifications for electric and water conduits in and around New York and had them removed.

So violent became the antagonism on the part of Communists and fellow travelers in New York in 1939 that they staged a demonstration at Columbus Circle which required over 300 police officers to control. Not satisfied with that, they formed a picket line of over 200 around the New Yorker Hotel, where Burton resided. None of these things was allowed to interrupt the investigation which was carried through, covering a period of over a year and involving the checking of over \$200,000,000 expended by WPA in New York. To anyone interested sufficiently to do so, it is suggested that the complete record of the investigation can be found in the published hearings and reports of the Appropriations Committee covering that period.

In 1940 Senator Gillette gave Burton assignments in connection with the activities of the Campaign Expenditures Committee for 1940, these having included the States of Maryland, West Virginia, Wisconsin, Maine, New Jersey, particularly relating to Hudson County, and special assignments of a national character in New York.

During the last 5 years, H. Ralph Burton has been general counsel for the Military Affairs Committee, and director of the investigations of the war effort. Many things have been accomplished by the committee. Thousands of lives have been saved by the improvement in the fueling system of airplanes resulting from the investigations and recommendations of the committee. Corners in skilled labor which resulted in exorbitant costs to the Government through having to pay excessive profits to racketeering companies controlling the skilled labor market were eliminated at a saving of hundreds of millions of dollars to the Government.

The House Military Affairs Committee Report No. 839, 79th Congress, contains the most complete account of the plans of the Communists to sabotage the United States Army that has been prepared and this was done under his direc-

tion. Not an item therein has ever been challenged.

The House Military Affairs Committee Report No. 1638, 78th Congress, containing the story of the activities of Col. Theodore Wyman and Hans Wilhelm Rohl concerning contracts for defense projects of Hawaii discloses almost unbelievable facts very largely affecting the attack on Pearl Harbor, and has never been challenged. These are only a few examples of what has been accomplished as the result of the investigations of the Military Affairs Committee which are elaborately explained in their two general reports. A recent investigation, beneficial to the soldier, is that relating to blue discharges in the Army which is resulting in the elimination of injustices from this source in the House Military Affairs Committee Report No. 1510.

I submit to Members of the House that a faithful servant of Congress, whose work has benefited the American people, should not be defamed on the floor and in the RECORD of this House by unsupported and groundless assertions, inspired by personal malice and the hostility of subversive and disloyal elements of the population, without a voice being raised in his behalf.

Housing Bill Amendments

EXTENSION OF REMARKS OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. MONRONEY. Mr. Speaker, under leave to extend my own remarks in the RECORD, I would like to call the attention of the House to two amendments which will be presented by me to the Patman housing bill when it is read for amendments Wednesday.

The first amendment is in the nature of a clarifying amendment, bringing the title, authority, and duties of the chief of the new housing program into line with his existing authority under Executive order. Its adoption will clarify his duties and bring his authority into line with that already provided for under the Executive order issued by virtue of the Second War Powers Act. Because of the uncertainty of the extension of the Second War Powers Act it will be necessary to include this into the Housing Act presented at this time if power is to be given to provide priorities for the veterans' housing program.

The second amendment is the production incentive subsidy authorization, which limits the amount of subsidies to be used in expediting the production of scarce materials by the Housing Expediter to the sum of \$600,000,000. It is argued that the Housing Expediter now has authority to use subsidies under the Price Control Act. This amendment would specifically permit and at the same time limit them as to amounts in order to stimulate the production of enough materials to carry on the housing program.

The amendments follow:

AMENDMENT PROVIDING HOUSING EXPEDITER

(a) There is hereby created an office to be known as Housing Expediter; and the President is authorized to designate an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as independent officer of the Government. In the event of a designation of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his designation hereunder. If, however, such Housing Expediter is appointed, his appointment shall, if within an existing agency of the Government, be subject to the laws and regulations governing the appointment of officers within such agency and he shall receive compensation in compliance with such laws and regulations; if the Housing Expediter is appointed as an independent officer of the Government, then such appointment shall be made by and with the advice and consent of the Senate of the United States and he shall receive compensation at the rate of \$12,000 per annum.

(b) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

(2) issue such orders, regulations, or directives to other executive agencies as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the Housing emergency and the steps which can be taken to remedy it.

(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

(d) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Housing Expediter to carry out the provisions of this title and such plans and programs as such Housing Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Housing Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

(2) The powers so transferred shall continue during the period in which this Act is in effect, notwithstanding any other provision terminating such powers contained in

the said War Mobilization and Reconversion Act of 1944.

AMENDMENT PROVIDING PREMIUM PAYMENTS

(a) Whenever the Director determines that it is necessary or desirable to employ premium payments for the purpose of increasing the supply of conventional and new types of building materials, such premium payments shall be made by the Reconstruction Finance Corporation with respect to such materials, at such times, in such amounts, and on such terms and conditions as may be determined by the Director: *Provided*, That such payments shall be limited to an amount not to exceed \$600,000,000. The Director, in determining upon the particular uses of premium payments as authorized in this section, shall take into consideration, among other things, the extent to which other means of increasing materials would not be as effective in adequately increasing the supply of such materials or would be likely to result in increased sales or rental prices of the finished housing accommodations constructed with the use of such materials.

(b) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, shall not, during the life of this title, apply to premium payments by the Reconstruction Finance Corporation under this section: *Provided*, That nothing herein shall be construed to affect the provisions of Public Law 88 of the Seventy-ninth Congress.

Defeatist Thinking

EXTENSION OF REMARKS OF

HON. CHARLES R. SAVAGE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. SAVAGE. Mr. Speaker, recently I have been very much concerned over the growing tide of pessimism regarding the chances for a permanent peace. It seems to me this trend of thinking is very dangerous because it implies we are not interested enough in maintaining a permanent peace to work at it. If we are going to be forever plagued with suspicions of other nations because their form of government is different than our own, can we blame those nations from having suspicions of their own? It is not a question of whether or not we can keep a permanent peace—we must keep that peace because it is becoming more and more apparent that our civilization cannot survive an atomic war.

I am including with this speech an editorial from the February 20 issue of the Longview Daily News, Longview, Wash., which I think clearly points out the dangers of this type of defeatist thinking:

WHY DO SO MANY SAY THAT WAR WITH RUSSIA IS INEVITABLE?

Five out of six American women, reports the Woman's Home Companion, believe we are on the road to another war. Most of these, an opinion poll of the magazine shows, believe that war will come in 10 to 15 years and will be with Russia.

Is this surprising information? Not at all. On all sides we hear this kind of talk. "War is inevitable." "We'll have to fight Russia." "Stalin blames capitalism for everything and he won't be satisfied until capitalism is wiped out."

It would be advisable, I think, to correct these misunderstandings abroad and at home. It would be a good thing, it seems to me, if the new American Navy went for a cruise in European waters, and paid visits to our allies. The Europeans have seen the American Army going home—not always a pretty sight—and they must have the impression that with these homesick and somewhat demoralized GI's there is departing from the European scene the power of the United States. They ought to be given a chance to see the Navy which was in the Pacific—the battleships, the carriers, and something of the great sea trains, which enable the American Navy to take its own bases with it.

It is only fair to them to show them this force, lest they forget its existence and come to think that GI's counting their points are the measure of our interest, our influence, and our power. It would help to correct any misunderstandings and miscalculations, into which land-minded diplomats so easily fall, during the critical negotiations about Germany, the Mediterranean, and the Middle East.

It would also be good for the Navy to see at first hand parts of this world in which this country is bound to be interested, and not to get into a rut and think that there is only one ocean, the Pacific.

The Navy knows all about the islands of the Pacific. It would benefit by an educational cruise not only to the British Isles, Norway, and Denmark, but to Gibraltar, Casablanca, and Dakar, to Marseilles, Toulon, and Bizerte, to Malta, Trieste, Salonika, and the Dodecanese, to Tripoli, Alexandria, Haifa, Beirut, and Suez, and to the Persian Gulf. These places are quite as interesting as Okinawa and Saipan, and it would be to the advantage of all, and would promote good negotiations, if our Navy saw these places, and if the people in these places saw our Navy.

It would not hurt UNO a bit if this were done. In fact it might help it a lot if everyone in the world including ourselves, were shown that, despite the demobilization, we were very much interested in Europe, and how in the long view we are able to manifest our interest.

The Patman Housing Bill

EXTENSION OF REMARKS OF

HON. AIME J. FORAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. FORAND. Mr. Speaker, the Pawtucket Real Estate Exchange has studied the Patman bill, and so that their views may be known to the entire membership of the House, I enclose them herewith as part of my remarks:

PROVIDENCE R. I., February 25, 1946

HON. AIME J. FORAND,

House of Representatives,

Washington, D. C.

DEAR CONGRESSMAN: The full membership of the Pawtucket Real Estate Exchange urge you to vote to have the Patman bill and its amendments sent back to the Banking and Currency Committee for further hearing, and if this cannot be done we strongly urge you to vote against the Patman amendments. These amendments would intensify the housing shortage by destroying the incentive to build. Would create a situation such as prevailed during prohibition. Ceiling prices on existing dwellings are not enforceable. Would produce chaos in the already critical housing shortage. Survey recently completed by members of the Pawtucket Real

Estate Exchange shows that because of material and labor costs. A \$6,000 ceiling, at least in this area is impossible for construction of one-family dwellings. Contractors agree that such a ceiling under present conditions would completely stop the much needed housing for veterans' program. Thus we are correct, assuming this to be true, in saying that the housing shortage would be intensified. We feel strongly that because this program has never had a public hearing: The pertinent facts that would bear heavily on the necessity for such an amendment have not been brought to life. It has been railroaded on to the floor of the House in a way seldom seen in Washington. Industry and private citizens have never had a chance to testify on it or to submit facts about the effects it will have. They should have that chance. It can truthfully be said that real estate and the construction industry are the foundation upon which rests our American way of life. It is therefore too serious a problem to have radical changes made in this basic industry without complete and thorough public hearings. It must be remembered that this is one bill that reaches into every American home. We, therefore, strongly urge that you as our representative in Congress vote against the Patman amendments or do everything possible to secure a full public hearing on this very serious matter.

PAWTUCKET REAL ESTATE EXCHANGE,
PETER J. PIMENTEL, *President*,
GEORGE LAPP, *Secretary*.

Relief for the Philippine Islands

EXTENSION OF REMARKS OF

HON. C. JASPER BELL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. BELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Christian Science Monitor of February 23, 1946:

McNUTT PREDICTS QUICK ACTION ON BILLS FOR AID TO PHILIPPINES
(By Selden Menefee)

WASHINGTON, February 23.—The log jam holding up long-overdue legislation for the relief and reconstruction of the Philippine Islands has been broken, United States High Commissioner to the Philippines Paul V. McNutt said today.

He confidently predicted the quick passage of both the Bell bill to provide free trade with the Philippines for 8 years following independence and graduated tariff increases for 20 years thereafter, and the Tydings bill to spend \$450,000,000 on public works and compensation for the victims of war damage.

Referring to the Bell bill, Mr. McNutt said:

"The House Ways and Means Committee, with complete and generous disregard for petty commercial interests which might benefit from the continued prostration of the Philippine economy, has now approved a bill providing for 28 years of preferential trade relations between the Philippine Commonwealth and the United States after independence is achieved next July.

"This action, which I am sure presages speedy approval by the Congress, is a gesture to the heroic people of the Philippines, and it will not be lost on our wards and allies."

Mr. McNutt said that the Tydings bill was equally essential. In providing funds to enable reconstruction to get under way it is complementary to, and in no sense a sub-

stitute for, the Bell bill. The Senate has passed the Tydings bill, and it is now in the House Insular Affairs Committee, of which Representative BELL is chairman. Now that the Bell bill has been reported out, quick action is expected on the Tydings bill.

Proponents of the legislation have been amazed at the lack of opposition from beet-sugar and other interests which in the past have worked to sever all ties with the Philippines, in order to eliminate tariff-free competition. The only real opposition came from within the Government itself—from a clique within the State Department and the Tariff Commission which is more interested in protecting Cuba's preferential sugar tariff than in promoting Philippine recovery. But that opposition has now been defeated.

Even with this legislation, it will be at least 3 years before Philippine industries can even begin to export, and a decade before they can be restored to prewar levels. The Japanese utterly wrecked the sugar industry. They tried to substitute cotton for sugar without success. But now instead of exporting a million tons of sugar a year to the United States, as they did before the war, the Philippines must actually import sugar.

Neither American nor Filipino authorities want to restore a sugar-based economy, which Mr. McNutt says is inconsistent with a broad economic democracy. Both parties want much greater diversification than before the war. But according to Lt. Comdr. Julius Edelstein, adviser to Mr. McNutt, a substantial part of the sugar industry—the most efficient part—can be expected to thrive on exports to the United States west coast and to far eastern countries, to the extent of about 60,000 tons a year.

The Tydings bill will pay for less than half of the war damage in the island; total damages are estimated at more than \$1,030,000,000.

PROBLEM OF JAP CURRENCY

A major economic issue of recent date has been the question of payments made in Mickey Mouse money—Japanese occupation pesos—during the invasion. Real estate was purchased, sometimes at gun point, and businesses changed hands by payments in this Japanese fiat money.

High Commissioner McNutt, in accordance with a directive from President Truman, recommended to the Commonwealth Government a plan of valuation for payments and deposits made in the Japanese money, according to a formula worked out by a commission named by President Osmeña.

OPPOSITE BILL PASSED

A special session of the legislature was called to consider the McNutt plan. But while the High Commissioner was in Tokyo last December, the legislature, many of whose members had engaged in transactions in Japanese money, threw out the plan and passed a substitute bill drawn up by the opposition leader, Senate President Manuel Roxas. This would have validated most of the payments made in Mickey Mouse at its full face value.

President Osmeña signed the Roxas bill. But under the Tydings-McDuffie Independence Act, all legislation affecting Philippine currency must be approved by the President of the United States before it can become law. President Truman, on Mr. McNutt's recommendation, vetoed the bill. But it is still an issue in the islands.

POLITICAL CONFUSION

This incident symbolizes the confused political situation as the April 23 election approaches. President Osmeña and Manuel Roxas are the presidential candidates. The race has split wide open not only the Nacionalista Party of the late President Quezon but also two smaller political groups, the Popular Front and the Democratic Alliance.

Informed Washington sources say that the issue is not a clear-cut one—Mr. Osmeña and the Democrats versus Mr. Roxas and the collaborationists—as some reports have indicated. While it is true that most of the collaborationists support Mr. Roxas, there are a considerable number of politically potent collaborators in the Osmeña camp as well. Mr. Roxas himself was cleared by Gen. Douglas MacArthur of collaborationist charges. Neither President Osmeña nor any of his chief spokesmen have echoed the charges made in the American press that Mr. Roxas is a collaborator.

President Osmeña has the support of most liberals, about half of the guerrilla leaders, and Communists. But he also is privately supported by the wealthy pro-Franco Andres Soriano, who is supplying funds and personnel for the Osmeña campaign. And Mr. Osmeña's party officially offered the vice presidential nomination to Quinin Paredes, who held a cabinet post under puppet President José Laurel and is still under indictment as a collaborator. Fortunately for President Osmeña's reputation, Mr. Paredes turned it down.

Two top collaborationists, Laurel and Jorge Vargas, his Ambassador to Tokyo, are being held for military trial in Tokyo. Others are being tried in Filipino people's courts. Only a handful have been convicted so far.

Most responsible Filipino and American authorities favor going through with the plan for complete independence next July. But they agreed that without the close cooperation of the United States during the next few crucial years, independence will have little meaning for the average Filipino.

Mr. McNutt put it this way in a recent speech:

"The fact of independence on July 4 does not minimize our responsibility. It increases it * * * (we must) recognize the imperative necessity of building here an economic system to keep step with political democracy."

St. Lawrence Seaway

EXTENSION OF REMARKS

OF

HON. GORDON CANFIELD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. CANFIELD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Newark (N. J.) Star-Ledger:

WASTE OF FEDERAL TIME

We find it difficult to understand the logic of fomenting national debate on a controversial issue such as the St. Lawrence seaway at a time when finding homes for war veterans, increasing production, defeating inflation, and balancing the Budget are crying for concentrated study.

The St. Lawrence project would provide a seaway between the Middle West and the Gulf of St. Lawrence. It would cost an estimated half billion dollars and would take years to complete.

Its proponents argue that it would open great new vistas for the Middle West through cheap transportation. Its opponents call it an outlandish squandering of public funds that, instead of helping anyone, would do irreparable damage to established east coast ports including New York and Newark.

There should be no reason for arguing the merits of such a plan now. It is not the time to debate spending a half billion dollars when Federal finances tremble under the impact of postwar demands. There is no

need now for the thousands of jobs this project would provide. Under the rule of first things first, debate on the St. Lawrence seaway could easily be deferred 2 or 3 years until more important problems are settled.

The Credit to Britain and World Trade

EXTENSION OF REMARKS

OF

HON. GEORGE E. OUTLAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1946

Mr. OUTLAND. Mr. Speaker, under permission to extend my remarks, I would like to include the inspiring address by Under Secretary of State Dean Acheson on the subject of the loan to Great Britain.

After some of the statements and mis-statements that have been made about this loan, I believe that Dean Acheson's remarks will come as a most welcome relief:

It is discouraging to some that our problems did not end with the end of the war. Our people strained themselves to the breaking point to win the war, they devoted themselves untiringly to the difficulties which arose and they solved them, and now they would like to enjoy the peace. But, of course, we have always known that keeping the world peaceful was difficult too. That also requires our patience and our best efforts.

Surely there is no problem which affects us more intimately than a prosperous world and a prosperous United States. It is about that question that I would like to speak to you tonight.

From late summer until last winter representatives of the American and British Governments worked together to arrive at a solution of the financial and trade problems which both of us face. When the discussions were completed we had reached agreement as to the means we would employ to secure the chance of a prosperous world.

Those means cover a broad range. They include the settlement of the lend-lease and reciprocal aid account between the two countries, an agreement on the proposals for an international trade organization and the granting of a credit to Britain.

I should like to tell you why I think it makes sense for us to extend a credit to the British, and, second, I should like to tell you why I think the terms of that credit are in our own interest.

A little less than a year ago we presented to the Congress the Bretton Woods agreements for an International Monetary Fund and an International Bank for Reconstruction and Development. We presented those agreements against the background of what we believed were going to be the postwar economic conditions of the world. We stressed to the Congress that when the period of war was over and the period of lend-lease was over, we would abruptly face the problem of supplying the needed imports which foreign countries must have to live. We explained that these countries would find it very difficult to get dollars because they would have few goods to sell and that, without the Bretton Woods institutions, we would run into a whole series of restrictions over world trade, a series of restrictions which would be designed for the purpose of helping each country force its products on the rest of the world so that it might earn enough money to buy abroad the barest minimum of goods it required for its people.

We said that these efforts could only lead to a system of closed blocs; each country would want to fence off for itself a market where it could sell its goods. In fact, it would have to make such an attempt because only by doing so could it earn enough money to purchase from other parts of the world what it needed to live upon. The Congress believed what we said. It believed that that would be the central economic problem of the postwar world, and it passed the Bretton Woods Agreements Act.

The better part of a year has gone by. Everything that was then presented to the Congress has proved to be far too true. I don't think it unfair to say that in that period of time the whole condition of the world has deteriorated far more than we could have thought. It seems to me that it has passed the point of being critical. It has reached a point where only the most timely and vigorous action on our part can prevent a further decay into the conditions of economic anarchy.

Why has that happened? It has happened partly because events have moved far faster than we have been able to provide measures to deal with them, partly because the military occupation has come sooner and lasted longer in some areas than we thought it would, and partly because conditions in the world are generally worse than we thought they would be. It has happened for a hundred other reasons.

Why have I discussed this situation? What is its relevancy to Bretton Woods and the credit to Britain?

Let us think for a moment about the position of the United Kingdom in relation to world trade, world production, world exchange of goods, and world commerce. Let us think of the position of the United Kingdom, not merely because of the tremendous importance of what it buys and sells but also because of the tremendous importance of its currency which, together with the dollar, provided the trading mechanism for one-half of the total prewar world trade.

Britain and the United States provide the currency which, after this war and the elimination of Germany and Japan from prominence in international commerce, will be the currency with which two-thirds or three-quarters of the trade of the world is conducted.

Let us look a little more closely at the position of England. Before the war, one-fifth of the entire trade of the world moved in and out of the ports of Great Britain.

That little island was like a lung. It was the breathing in and out, the drawing in of imports and the sending out of exports, which was one of the great activating forces of world trade. Great Britain and the British Empire, the United States, and Canada between them conducted one-half of all that trade. British trade, Canadian trade, American trade, affected every single corner of the earth, affected France and all of Europe, affected Indonesia, China, Japan. Every part of the world was activated by British and American trade.

Now, what is the position of Great Britain today? During the war many things happened to that island. One of the things was that through force of necessity, through the virility of its own administration and its own character, that island converted almost its entire economy to the production of war commodities. It is easy to say that the British had to do that because they were in the middle of the fight and they could not have survived without doing so. But many other people were in the middle of the fight and did not survive because they did not do so. The British took no half measures. They never spared themselves. All of their industries were transformed into the production of war goods; their manhood was scattered over the seven seas and all the continents in the armed services; old men, women, and children were brought into

taxes, insurance, maintenance, skeleton guards and stand-by personnel, and similar expenses.

"The placing of such plants in immediate production by private enterprise is being halted—or at least delayed or obstructed—by two factors. First, the Government is holding them for sale or lease at appraisal figures which are not based on today's production schemes or values and which offer little incentive compared to the advantages of building a new plant designed to fit specific, individual manufacturing needs. Industry, therefore, is prone to consider Government prices too high.

"The second factor is that industry may be too quick in deciding that the now idle war plants are not modern enough from a production standpoint, not profitable enough from an investment standpoint, and not suitable enough from any one of a number of other standpoints—labor supply, transportation facilities or geographical location, for example.

"Unquestionably, there is much to be said on both sides, and Government and industry each is largely right from its own viewpoint. But all the while, the plants are idle—the white elephants are still white elephants and not work horses as they should be in this reconversion period when people are doing without automobiles and washing machines and refrigerators and many other things they need."

"On the other hand, it would appear that the Government would be quick to benefit if these plants would be placed in immediate production. Certainly, the savings in Government costs of maintaining them in idleness would be worth while to the taxpayers, if nothing else. Industry, too, would be a gainer if it had plant space in which to produce the things people want to buy.

"A solution of the problem lies in the Government reexamining its appraisal values and prices in light of today's conditions, and lowering them accordingly. Industry, then, should reexamine its requirements and modify them in line with the lowered costs of buying already-available plant space, even though it might not offer topnotch manufacturing facilities. Many of the plants can be adapted to immediate needs. Many of them are in excellent locations—often, manufacturing could be concentrated instead of spread out over distant territories. Lowered costs would permit companies to spend money for plant improvements.

"And, apart from the obvious advantage of boosting production when a boost is urgently needed, a give-and-take attitude on the part of both Government and industry would help local communities, it would provide jobs for returning veterans, it would permit the building industry to focus its attention on places to live, and it would be a program acceptable to labor because of its employment features."

Wyatt Housing Program

EXTENSION OF REMARKS

OF,

HON. HOMER A. RAMEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. RAMEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article on the Wyatt housing program, by Carl M. Fleming, past president of the Toledo (Ohio) Real Estate Board:

The Wyatt housing program and the Patman amendments propose to socialize the building and real-estate industry.

The Wyatt program is supposed to help the country meet the housing shortage. Actually, it will prolong the shortage by handicapping industry and forcing it into a subsidy program. It will retard construction of homes for veterans by clamping down rigid price ceilings.

Mr. Wyatt has called for the construction of 2,700,000 homes by the end of 1947. This includes conventional houses and unproved prefabricated homes. It involves:

1. Premium payments for increased production.

Guaranteed markets for materials manufacturers.

3. Priorities and allocations of equipment and materials.

4. Wage-price adjustments or price increases where they are necessary and not inflationary.

5. Rapid tax amortization for plants which are newly built or converted to produce essential building materials.

6. Absorption by Government of undue risks in developmental work on new-type materials.

7. Use of war plants for prefabrication experiments.

8. Immediate enactment of the Wagner-Ellender-Taft housing bill.

Although no specific legislation embracing the Wyatt program has been prepared, Mr. PATMAN has announced his intentions to introduce amendments to his own bill which would seek to incorporate the major points of the Wyatt program.

Nothing has been said about total costs of the Wyatt plan. Here they are:

1. The Wagner-Ellender-Taft bill.....	\$3,960,000,000
2. Subsidies to materials producers.....	600,000,000
3. Temporary reuse of war housing.....	250,000,000
4. Tax amortization for materials production.....	?
5. Training program.....	?
Total	4,810,000,000

An additional \$200,000,000 will probably be required to encourage increased production of new or substitute materials.

The program provides for the impossible by proposing to concentrate home-building materials to houses selling for not more than \$6,000. This would exclude 70 percent of the country from participation in the program. Under today's material and labor costs it is not possible to build an acceptable house and sell it complete with lot for \$6,000 in 70 percent of the Nation. It simply is not in the cards, and the program would stall on this point.

Mr. Wyatt proposes to subsidize the production of building materials to the extent of \$600,000,000. The manufacturers of building materials have categorically declared that they do not want such subsidy. They have stated that the only thing they need to insure 100-percent production is price relief. If they are given reasonable ceilings they can get into capacity production immediately. They estimate that \$200,000,000 increase in prices would bring quicker and more permanent results than \$600,000,000 in subsidies. And there would be no bill for the taxpayer to foot.

The Wyatt program involves an attempt to force Federal subsidies down the throat of an industry that does not want them and has said so.

The Patman bill and the proposed amendments involve a comprehensive plan subsidized by the Treasury which it is proposed to force upon the building and real-estate industry without permitting that industry to make an appearance at hearings to offer testimony or countersuggestions. It is taxation without representation amplified many times.

This program is intended to provide housing for veterans. Unfortunately, by compelling industry to take a course it does

not want, and under which it cannot operate, it will stop housing for veterans instead of building it. It was hastily conceived in star-chamber sessions and is now being offered without the customary benefit of public hearings or an examination by a committee of the Congress. It will not produce housing for veterans. Instead it will deceive then into thinking they will get houses. When the housing is not produced after being promised in this program there will be widespread resentment among the veterans.

It is completely possible to evolve a housing program for veterans under which industry can produce the houses. That should be done. That must be done.

The Congress has the right to demand that such a program—not the Patman-Wyatt program—be presented to it.

The Public Debt

SPEECH

OF

HON. GEORGE E. OUTLAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. OUTLAND. Mr. Speaker, a few days ago the gentleman from Pennsylvania [Mr. RICH] commented on the announcement of Secretary Vinson that the Treasury would pay off in cash \$2,800,000,000 of obligations maturing in March. The gentleman then went on to say that the Treasury could pay off \$20,000,000,000 of the debt out of the money now in the Treasury.

The House will be interested in a full statement of the facts. The cash balance is now \$25,800,000,000. This strong position of the Treasury is the result of the splendid response to the Victory Loan. The Treasury set a goal of \$11,000,000,000. The American people subscribed \$21,000,000,000. The American people have shown in this way their continued confidence in United States Government securities as the best investment in the world.

The present cash balance is large. But this balance must meet large needs in the next few months. The big expenses of war have stopped. But it takes a good deal of money to redeploy our armed forces and to muster out the returning men and women. In addition, the Government has large maturing obligations, some of which will be paid off in cash and some of which will be met by issuing new securities. The Treasury must take all this into account in handling its cash balance.

The suggestion of the gentleman from Pennsylvania that \$20,000,000,000 of the Treasury balance could be used now to pay off part of the debt is not in accord with the facts. A large part of the cash balance will be used in the next few months. By June 30, 1946, 4 months from now, close to \$15,000,000,000 of the balance will have been used; it will be down to less than half of what it is now. And in the few months after that the balance will be still further reduced to meet the expenses of the Government and such maturing obligations as are paid in cash.

Thus, by the end of the summer, the Treasury balance will be down to a mini-

num conservative level. And this will be done in an orderly way that will not upset the money market during the important reconversion period. To have the Treasury suddenly pay back \$20,000,000,000 of outstanding obligations and then in a month or two come back and again borrow a large part of it would upset the money market and hinder the reconversion program, without any real saving to the Government.

The rapid reconversion of industry is essential to expand our peacetime production to prevent inflation. Every policy of the Government must take this into account. Finance is no exception. A wise financial policy can help smooth reconversion. The present public-debt program is intended to do just that.

A Letter to Laski

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 18, 1946

Mr. WOODRUFF. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

A LETTER TO LASKI

DEAR PROFESSOR: At a pink-dawn dinner in New York (with Mrs. Roosevelt at your side) you tell us that "free enterprise and market economy mean war; socialism and a planned economy mean peace."

You are the latest of a long line who have been coming over here to tell us what a rummy country we have. We have been told that the Declaration of Independence was a great mistake. We have been told that General Washington's dream of an independent destiny for America was a false start in the progress of mankind. But for utter gall and nonsense you tower among your brethren.

You are chairman of the British Labor Party now in charge of what our socialites continue to call our mother country. You are here to tell us, and Lord Keynes is here to sell us. At the same time that Keynes tells us that Britain will collapse unless we send you four billions more, you have the nerve to say that our system of doing business has made starvation a symbol of our power. Just whom have we starved, Professor?

The four billions are to be heaped on top of twenty-five billions of lend-lease, and all we did to save democracy and the Empire in World War I, and to prevent starvation afterward. However, twenty-five billions would have built five million houses here for our returning soldiers at \$5,000 each. We need some houses here, Professor.

The brains and enterprise which enabled us to ship 25 billions overseas did not come from following your cockeyed notions of the good, the beautiful, and the true. You have fooled your fellow islanders with your stage magic of a brave new world, cleansed of the profit motive and purified with the selfless incense of politicians. With these four billions you can get your people to thank you for being elected by them. But the dough, the spondulix, the mazuma, and the long green, Professor, still comes from the country whose system you despise; in short, from England's Uncle Sam from the Grand Dupe of Russia.

We did not start this war. England declared war on Hitler without consulting us. And two of your "planned economy" boys,

Hitler and Stalin, fixed things up private like before the panzers moved east and the Reds rolled over Poland.

After the "Hounds of Hell" were set loose, Britain fought with pit-dog courage. Americans admire courage even more than monacles. But now that the shooting is over, where is Poland? And the Atlantic Charter? And whose fingers are on the trigger in Iran and Turkey today?

I don't deny that our free enterprisers with their striped-pants helpers in our State Department have sometimes sent marines to collect overdue dividends from the natives. But we have not started two world wars. The "planned economy" boys start the big wars, Professor.

When government runs everything, including foreign trade, then every race for a new oil field becomes an "international incident" and mobilizes a million men with triggers set; whereas, when our free enterprise handles foreign trade it never gets more than a few marines interested, and seldom that.

For a long time, Professor, you had a backdoor key to the White House. A surprising number of us, Professor, have begun to think it is time to change the lock. Mr. Truman, please note.

I close by saying we never expect to see our dollars again, but if we never see you again we will get some return on our investment.

Yours truly,

PLAIN AMERICAN.

P. S.—We will do what we can to feed and clothe the starving victims of your socialistic-planned economies. But if you don't stop advising us, we'll scream.

SAMUEL B. PETTINGILL.

OPA Extension

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. MILLER of Nebraska. Mr. Speaker, under permission to extend my remarks in the Appendix of the RECORD, I include a letter from a constituent in my district.

Mr. Speaker, this letter is from a prominent minister who has served, all during the war, on the local OPA board. He served, not because OPA was a salvation of the Nation, but rather to be in a position to try and give the people of the country, the kind of justice and administration of the act, which they expected.

The OPA, by its foolish rules and regulations, has driven many of the old-line manufacturers of shirts, wearing apparel, and other goods out of the market. The show cases of Washington and the merchants of the country are filled with cheap, gawdy-looking sport shirts, which are being sold at a high price, because customers cannot get anything else. It is high time that this Congress do something about the OPA hoodwinking the American public on the pretense that they are holding the line. One needs only compare the prices of 1941 on a lot of the essential items of living, and you will find that the line is not being held, even with consumer subsidies. Production is more important

than just holding the line. It is the true antidote of inflation and black markets.

The new Administrator, Paul Potter, made the statement that he did not take over the OPA, to act as liquidator of OPA. He says that the OPA is a going concern, with a faithful and loyal staff. I am convinced, Mr. Speaker, that there is no intention, in the near future, of ever closing shop, as far as OPA is concerned. As long as it is in existence, and continues its present method of brow beating business and industry, just so long will there be a shortage of essential items of living.

The OPA, a few days ago, spoke about the price of sugar. Bowles said that sugar went up to 30 cents a pound after the last war and gave the impression that this was a hardship. My sugar charts show the price went up to 26 cents a pound and stayed there less than 2 weeks, not long enough to hurt anyone. The truth about sugar after World War I is this. Sugar stayed at 9 cents a pound during the war. After the war it went from 9 to 26 cents and then back to 8¼ cents within 1 year. It took 5 months to bring the price down to 8¼ cents. In another year, it was down to 4¾ cents. We got sugar. What good is a low price on sugar if you do not get sugar?

Bowles refutes his own argument when he asks Congress to keep up subsidies so he can keep prices down. Another department of government tells us that since people have so much money for spending they must now have subsidies. It is just double talk when they ask for a billion dollars in subsidies to keep the cost of living down a billion dollars. It really costs much more because you have to spend money advertising the program. His program is like putting a ceiling on Joe DiMaggio of 10 homers a year and then subsidizing him.

All this talk of Bowles holding the line against inflation is tommy rot. Inflation is already here. We can either recognize this fact and put in a flexible price control system which encourages production and takes these facts into consideration, or we can plunge this Nation off the deep end into economic disaster.

FEBRUARY 21, 1946.

The Honorable A. L. MILLER,
Congressman,
House of Representatives,
Washington, D. C.

DEAR Mr. MILLER: As your constituent I am writing to you to ask you not to favor the continuation of the OPA for another year. At least not to have the OPA continue to exercise its present powers, so detrimental to the American way of life and the postwar reconversion.

As you well know the OPA is trying with might and main, using every strategy to perpetuate itself, not only for another year, but for many years to come. The leaders of the OPA speak about holding the line of inflation. They are, it is true, holding the so-called line, but on the opposite end of that line they are choking the life out of the business of thousands of small merchants throughout the land. In spite of the OPA we already have inflation of money, inflation of wages, and inflation of consumer goods. The so-called price control which is so strongly advocated is no price control at all. There is no price control when apples for example sell for \$5.50 per bushel—a 200-percent raise since 1941. There is no just

2. SCHOOL LUNCH BILL. Reps. Flannagan, Cooley, Zimmerman, Pace, Hope, Kinzer, and Andresen were appointed conferees on this bill, H. R. 3370 (p. 1759). Senate conferees were appointed February 26.
3. HOUSING. Continued debate on the Patman housing bill, H. R. 4761, which provides for price control and subsidies on housing (pp. 1767-83).
4. NARCOTICS. Received the conference report on H. R. 2348, to cover certain drugs under the narcotic laws (p. 1783). The conferees agreed to the Senate amendment to make it possible for millers to produce hemp fiber from the hemp plant without incurring liability for the tax which is imposed upon transfers of marihuana.
5. RURAL ELECTRIFICATION. Rep. Savage, Wash., spoke in favor of an investigation of "lobbying" against REA and TVA by the electric companies (pp. 1784-7).
6. TRANSPORTATION INVESTIGATION. The Rules Committee reported without amendment H. Res. 318, to direct the Interstate and Foreign Commerce Committee to investigate the transportation situation with a view to recommending legislation that will result in a consistent public policy fair to all competing agencies of transport, to the using and investing public, and to labor, to the end that the country's commerce may be moved with the greatest degree of economy, safety, and dispatch (H. Rept. 1660)(pp. 1758-9).
7. SALARY APPROPRIATIONS. Received from the President a proposed revision for this Department of the appropriation estimates included in H. Doc. 437 pursuant to Public Law 106, the Federal Employees Pay Act (H. Doc. 487). To Appropriations Committee. (p. 1790.)
8. BONNEVILLE REPORT. Received from the Interior Department a report and financial statement of the Bonneville Administrator covering the transmission and sale of electric energy for the fiscal year 1945. To Rivers and Harbors Committee. (p. 1790.)
9. EMPLOYEES' COMPENSATION COMMISSION report received. To Judiciary Committee. (p. 1790.)
10. APPROPRIATION RESCISSIONS. The Appropriations Committee reported H. R. 5604, the second supplemental surplus appropriation rescission bill, 1946 (H. Rept. 1671)(p. 1790). The bill includes the following items: Emergency supplies for territories and possessions, U. S. D. A., \$5,000,000 (Budget estimate was \$2,500,000); Office of Fishery Coordination, Interior, \$12,000; Office of Scientific Research and Development, \$555,000; lend-lease, \$1,080,000,000, to be deducted from such of the categories as may be determined by the State Department; Employees' Compensation Commission, \$1,300,000; FWA community facilities, \$5,750,000; emergency safeguarding of public buildings and property, \$75,000; construction of public buildings outside D. C., \$15,662,600; construction of public buildings in and near D. C., \$1,500,000; contract authorization for construction of buildings in D. C., \$3,673,001.

The Committee report states: "While the total of rescissions made and now proposed is prodigious, the committee believes that it may be appreciably added to and intends to conduct another inquiry before the close of the fiscal year..."

from 15% to 25%; (8) disallowance of \$10,000,000, or about one-half of Budget increase, for expansion of forest highway work; (9) disallowance of \$1,500,000 of the \$3,899,276 increase requested for white pine blister rust control, the cut being applicable to work on State and privately owned lands; (10) cuts in BAE Budget estimates, principally under the "economic investigations" item where all Budget increases were disallowed and, in addition, a cut of \$454,500 below 1946. Language was inserted prohibiting maintenance of regional offices and the conduct of social surveys; (11) increase of \$1,000,000 above Budget for the purchase of equipment by SCS from government surplus for loan and grant to conservation districts; (12) disallowance of the proposed \$479,000 increase for aerial photography and mapping on national forests, and \$50,000 of the proposed increase of \$100,000 for forest recreational areas; (13) increase of \$480,000 above Budget for establishing 16 additional experimental forests; (14) disallowance of increases totaling \$346,292 for payments to States for agricultural experiment stations; (15) reduction of \$500,000 (from \$5,000,000 to \$4,500,000, which is \$116,965 below 1946) in REA administrative expenses. The Committee also inserted language prohibiting use of REA administrative funds for processing or approving any loan unless the loan application contains certain stipulations with respect to bids received by borrowers for contractual work; (16) reduction of estimate for water facilities loans in arid and semiarid areas by \$500,000, to bring it down to the level of expected current year loan funds; (17) disallowance of all but one of several increases, totaling \$110,000, in ARA and BAE, for research studies of problems relating to agriculture in Alaska, with provision of \$20,000 in lieu thereof to enable ARAdministrator to make "exploratory investigations" in Alaska as a basis for further recommendations in the 1948 Budget; (18) insertion of language under the Office of the Secretary, the effect of which is to require the operation of only one warehouse inspection service in the Department, the funds therefor to be transferred, consolidated, expended, and accounted for as a single fund; and (19) restoration of language in connection with employment under the item "Loans, grants, and rural rehabilitation," thereby again rendering funds under that head not available for paying the compensation of any person appointed in accordance with the civil-service laws.

11. SUBSIDIES. Passed as reported H. J. Res. 301, to authorize payment of subsidies for 1946 programs (for provisions, see Digest 33)(pp. 1734-43). Agreed, 44-33, to the amendment providing for meat and flour subsidies (pp. 1742-3).
12. URGENT DEFICIENCY APPROPRIATION BILL. Debated this bill, H. R. 5458, which contains the \$100,000,000 item for REA (pp. 1743-52). Agreed, 44-30, to the committee amendment reducing the amount for CPA (pp. 1744-50). Agreed, 45-25, to the committee amendment reducing the amount for OPA (pp. 1750-2).
13. FISH. Received Calif. Assembly resolutions urging a survey of Pacific fisheries and development of tuna fishing (p. 1730).
HOUSING.
14. FARM MACHINERY; Received a Calif. Assembly resolution urging that farm machinery, implements, and housing be made available (p. 1730).
15. FORESTRY INVESTIGATION. Received a Calif. Assembly memorial recommending an investigation of the Forest Service (p. 1731).
16. SCHOOL LUNCH PROGRAM. Sen. Capper, Kans., inserted an American Dietetic Association letter favoring H. R. 3370, the school lunch bill (p. 1731).
17. NARCOTICS. Agreed to the conference report on H. R. 2348 (see item 4)(p. 1743).
18. HOUSING. Sen. McFarland, Ariz., spoke in favor of various amendments to S. 1592, the Wagner-Ellender-Taft housing bill (pp. 1752-5).
19. ADJOURNED until Fri., Mar. 1 (p. 1756).

BILLS INTRODUCED

20. WOOL; IMPORTS. S. 1874, by Sen. Robertson, Wyo., to increase and stabilize the U. S. domestic wool production and to further stabilize the importation of raw wool from foreign countries. To Agriculture and Forestry Committee. (p. 1732.)
21. SURPLUS PROPERTY. H. R. 5608, by Rep. Poage, Tex., relating to the disposition of certain surplus property located outside the U. S. To Expenditures in the Executive Departments Committee. (p. 1790.)
- H. R. 5610, by Rep. Rizley, Okla., relating to the disposition of certain surplus property located outside the U. S. To Expenditures in the Executive Departments Committee. (p. 1790.)

ITEMS IN APPENDIX

22. HOUSING. Rep. Patman, Tex., inserted newspaper editorials favoring his housing bill, H. R. 4761, including provisions for subsidies for new housing and price ceilings on existing houses (pp. A1069, A1070-1, A1076).
- Extension of remarks of Rep. Patterson, Calif., favoring the Patman housing bill (p. A1066).
- Rep. Rogers, Mass., inserted Mrs. McLean's press statement favoring H. R. 5576, to establish priorities for veterans in purchasing surplus property suitable for residential purposes (pp. A1067-8).
- Rep. Sadowski, Mich., inserted a Detroit (Mich.) News editorial favoring the Wyatt housing plan (p. A1071).
23. PRICE CONTROL. Extension of remarks of Rep. Gillie, Ind., favoring the continuation of price control and including constituents' letters urging the continuation (pp. A1053-4).
- Rep. Patman, Tex., inserted Director John W. Snyder's (War Mobilization and Reconversion) statement before the H. Banking and Currency Committee urging the extension of the Emergency Price Control Act (pp. A1071-3).
24. ST. LAWRENCE WATERWAY. Rep. Sabath, Ill., inserted Mayor Kelly's (Chicago) statement before the S. Foreign Relations Committee urging approval of this project (pp. A1073-4).

COMMITTEE HEARINGS RELEASED BY G.P.O.

25. URGENT DEFICIENCY APPROPRIATION BILL, 1946, H. R. 5458. Senate Appropriations Committee.
26. AGRICULTURE APPROPRIATION BILL, 1947, H. R. 5605. House Appropriations Committee. See item 1.
27. SECOND APPROPRIATION RESCISSION BILL, 1946, H. R. 5604. House Appropriations Committee.

COMMITTEE HEARINGS ANNOUNCEMENTS for Feb. 28: S. Foreign Relations, St. Lawrence waterway; S. Agriculture, clothing shortage; S. Banking and Currency, housing bill (ex.); S. Commerce, science bill (ex.); H. Appropriations, deficiency (ex.); H. Agriculture, Cooley farm-credit bill (ex.); H. Banking and Currency, OPA extension; H. Civil Service, Federal pay bill; H. D. C., anti-dog research; H. Expenditures, surplus property (Royall); H. Insular Affairs, Philippine rehabilitation (ex.); H. Merchant Marine, fish; H. Ways and Means, social security.

a Communist out of me or a man undeserving to serve in this House.

Mr. THOMAS of New Jersey. Will the gentleman yield? I want to help the gentleman.

Mr. SABATH. I will yield; I always welcome any help from any gentleman at any time, and consequently I shall yield to the gentleman.

Mr. THOMAS of New Jersey. Will the gentleman from Illinois then explain in detail whether he has taken out the words "House Un-American Committee" in the title?

Mr. SABATH. Yes. That was a mistake and not intended.

Mr. THOMAS of New Jersey. And has the gentleman taken out the words down below "Un-American Committee"?

Mr. SABATH. Yes, sir; that has been done.

Mr. THOMAS of New Jersey. It has been done? When was that done?

Mr. SABATH. When I asked unanimous consent here on this floor.

Mr. THOMAS of New Jersey. Both places?

Mr. SABATH. Both places; yes.

Mr. THOMAS of New Jersey. Did the gentleman also write a letter of apology to the chairman of the committee?

Mr. SABATH. I will say this to the gentleman from New Jersey—

Mr. THOMAS of New Jersey. There is nothing wrong with that.

Mr. SABATH. I will say this to the gentleman from New Jersey, I have not, because I thought that if the chairman, in whom I have the utmost confidence, had seen anything wrong in the letter I addressed to him, he would have called my attention to it or he would have answered me.

Mr. THOMAS of New Jersey. He has not answered yet, though.

Mr. SABATH. He has not.

Mr. THOMAS of New Jersey. The chairman is going to answer.

Mr. SABATH. I will say this, if you or any other man can point out a single line that is objectionable to the chairman of that committee I will gladly strike it out, and I would even be willing to strike the whole speech out, but there is nothing in there that is objectionable, unfair, or unjustifiable. I meant no disrespect to anyone, and never did.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Georgia.

Mr. COX. I should like to say to the gentleman that his conduct is most admirable and is obliged to be disarming to those who have felt aggrieved because of what has taken place in the last hour or so. If the gentleman has not as yet actually stricken from the RECORD the language objected to, will he now ask unanimous consent to do so?

Mr. SABATH. I will do so with pleasure, and I thank the gentleman from Georgia for his statement.

Mr. COX. With that leave given, Mr. Speaker, I think this whole controversy ought to end.

Mr. SABATH. Now, Mr. Speaker, I renew my unanimous-consent request, that I may have the privilege to delete

from the speech, from the letter, and from the headline those words that are even to me objectionable, and that I did not intend anyway should be put in as they were, but it was merely a mistake on the part of a clerk. I repeat, the title should read: "Committee on Un-American Activities," and that was the intention.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, and I do so just to get information, that is all.

Mr. SABATH. All right, but please hurry.

Mr. HOFFMAN. When this matter came up—and the gentleman will find it on page 1476, I reserved the right to object, and asked if the gentleman was making an attack upon any Member of Congress; and you replied that you were not.

Mr. SABATH. I did not make any attack.

Mr. HOFFMAN. In that request you were asking permission to insert an editorial and a letter. Now, when you inserted your remarks you included here that offensive to some "un-American committee."

Mr. MARCANTONIO. Mr. Speaker, I ask for the regular order on the consent request.

The SPEAKER. The gentleman from Illinois has yielded.

Mr. HOFFMAN. Then there is the third paragraph. As I understand it, any and all charges that the committee is un-American in its activities are eliminated?

Mr. SABATH. I feel I have made my position clear.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RANKIN. Mr. Speaker, reserving the right to object, of course, there are other things that have been put in the RECORD that I object to and the committee objects to, but I want to say to the gentleman if he had notified the members of the committee that those things that are in the RECORD were deleted we would have known of it. The committee was not notified of this request.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RANKIN. Mr. Speaker, reserving the right to object, if anything reflecting on this committee is put in the RECORD again, you will hear from me.

Mr. SABATH. The gentleman is withdrawing his motion, and I presume that is the result of the vote just taken, which indicates that the House would have acted fairly and would not have sustained the motion. Had the gentlemen been able to hear me before the vote on the previous question was taken I am sure the majority against it would have been still greater.

Mr. Speaker, it has always been my policy that if I cannot do a person any good I will not do him any harm; and I am so constituted that I cannot help representing unfairness and unjust attacks, whether made against me or against someone I do not even know. We have given up almost a whole day to this debate, and I have asked unanimous con-

sent to strike from my remarks words which I did not intend to be there, and especially the words, "House Un-American Committee," and substitute therefor the words, "House Committee on Un-American Activities," as it was intended they should read, both in the headline and in the text of my remarks, and to delete certain other words which I believe myself were improper, and I assure you were inadvertent.

I again wish to assure you, Mr. Speaker, and to assure the House that it was not my intention to reflect upon the House. On the contrary, I have at all times tried to the best of my ability to eliminate anything said by anyone that might place the House in disrepute, and I am always alert to anything which might detract from the dignity of the House. While I have permission to extend my remarks, the lateness of the hour leads me to conclude at once, so that this may appear in today's RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RANKIN. Mr. Speaker, I withdraw my motion if he is going to withdraw those offensive remarks from the RECORD.

The SPEAKER. The motion is withdrawn.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The bill was read last evening. The first committee amendment is now in order for consideration.

The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 6, insert:

"SEC. 701. (a) The Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population, that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available, and that it is necessary for the health and safety of the people that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing."

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the members of this committee a question concerning this amendment, and I presume my question relates to other portions of the bill. A portion of the committee amendment states:

That all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing.

Then it assumes elsewhere that the provision is to permit the veterans to have preference in priority in connection with housing.

"Is there anything in this bill that would prevent the misuse of this privilege by persons who would merely obtain the consent of a veteran for the use of his name in obtaining priority? Is there anything to prevent anyone from financing a veteran to build a home which the veteran would immediately resell to him?"

Mr. SPENCE. The Administrator, under the bill, has the power to issue regulations, and that matter would be taken care of, I assume, by the regulations. It is an administrative matter. Of course, the Administrator is going to see that the materials are not diverted for purposes for which they were not intended. The bill gives him the power to regulate those matters.

Mr. HINSHAW. What provision is there in the bill for permitting the completion with priorities of a great many thousand homes which are already under construction, the construction of which has been stopped because the previously granted priorities are not recognized under the new HH priority system? There are, according to my information, in the area in which I live some 12,000 to 15,000 homes now under construction which cannot be completed because they are unable to obtain the new HH priorities, and these housing facilities therefore remain idle because they are uncompleted.

What provision is there for the early completion of the present unfinished housing? I say that, Mr. Chairman, for this reason, that after all, a housing shortage affects all people, and while we want to give priority to the veterans in obtaining this new housing, at the same time any alleviation of the shortage will be to the benefit of the veteran and all concerned.

Mr. SPENCE. The Administrator has the power to grant priorities. The veteran will have the preference, but that does not limit the Administrator's power to grant priorities and to provide for the completion of the houses that are under construction. If this bill passes and the house is completed after the effective date of the act, we will have the power to put a ceiling upon it.

Mr. HINSHAW. I thank the Chairman. That is what I was afraid of.

I would like to read a letter concerning a case that I am talking about, which is a case in point. A veteran who is a builder recently made application for an HH priority on a five-room home which he estimated would cost \$8,200, \$6,000 for the house and \$2,200 for the lot. When he came to make his new application for priorities his priority application was returned approved provided the

house, lot, broker's commission, and his own profit, he being a contractor, would come within the ceiling price that came along with the provisional approval, a price of \$7,800, which was \$400 less than the house actually cost. Just think of it. How does anyone in the world expect, if the housing Director or the Office of Price Administration are going to administer the law in that way, that they are going to get housing? They are not going to get housing. That is exactly the type of asinine regulation that is stifling home building today.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Texas if he can answer that question.

Mr. PATMAN. May I invite the gentleman's attention to page 8 of the bill, about one-third down, where he will find a sentence, I think, that will take care of his problem:

Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion.

Mr. HINSHAW. Yes; I have read the language, and I thank the gentleman. I hope that will be included if this bill is passed. He can make application for it, but there is no requirement whatsoever that the application shall be granted on a fair price and cost basis.

A little later on, in the language that follows, it says that he—

may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification.

There is no requirement whatsoever that the Director shall or must actually issue a price to him which shall cover his cost and allow him to pay brokerage fees, and so forth, on the sale of the property.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. If the gentleman can explain it.

Mr. BARRY. On the first question about the veteran having the house built—

Mr. HINSHAW. I have passed that question and I have come to another one, and I would like an answer to it.

Mr. BARRY. The veteran cannot sell the house and make a profit on it, so there is no point in selling it to anybody.

Mr. HINSHAW. That is another place where you have stuck the veteran. You have fixed him so that he cannot get anything, whereas everybody else can. That is a direct discrimination against the veteran. He is really stuck under the terms of this bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to add to the remarks of the gentleman from California. As I understand this bill—I do not claim to be the last authority on this bill, and I do not know anybody who

does—I do not know of anything in this bill that would prohibit me, if I were a veteran, from joining with my friend the gentleman from California, a contractor, so that I would obtain the permits and my friend from California would do the constructing. We could combine our efforts and bring to ourselves a profit, time and time again, through the applications which I, a veteran, could submit and have approved and under which we could then go out and build houses. It is fine to pray a prayer in the name of the veteran, but writing language which will prevent that privilege from being abused, is a different proposition.

I do not think the gentleman from California [Mr. HINSHAW] had a clear-cut answer to his question. I do not want him to be misled, and I do not want to mislead him, either. I do not think this bill prohibits a veteran from obtaining a permit and disposing of the house, taking whatever profit is protected in that first deal, and coming back and getting another application, building another house, and taking the profit, and repeating that time and time again, with the veteran and the contractor benefiting by these repeated transactions.

Mr. HINSHAW. Any contractor who is a veteran can do that one time right after another all the way down the line, according to this bill.

Mr. CRAWFORD. I do not think the contractor has to be a veteran.

Mr. HINSHAW. No, but if the contractor is a veteran, and a great many of them are, he can do that one time right after another.

Mr. CRAWFORD. That is my understanding.

Mr. HINSHAW. He can sell the property for any price he wants to on his first sale, and then the fellow who buys it is stuck for a resale.

Mr. CRAWFORD. Another proposition, what is there in the language of the bill that prevents a person who obtains the privilege from selling his option on that privilege?

Mr. HINSHAW. I do not know of anything that prevents that.

Mr. CRAWFORD. Neither do I.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Further, when they were selling surplus property some of us Congressmen had applications from people who wanted tractors and trucks, and they were told, "Get a veteran to bid for you." From that experience, there would be no reason to anticipate that there would be anything to stop it in this operation.

Mr. CRAWFORD. If the language is in there, I hope somebody will point it out, because I should like to know if it is in there; that is, language to prevent repeated profits being made under this bill by anyone who can obtain the privilege and wants to misuse it.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman from California said the veteran could sell the

house at any price he desired. Of course, the veteran cannot sell the house at any price he desires because there is a ceiling on the house and that ceiling freezes the price. The first seller cannot sell the house for more than the ceiling, and the buyer cannot sell it for more than the ceiling. The price is frozen. There would be no purpose in speculating in those houses unless a man could get a higher price than the law permits him to get. He cannot speculate in them at all.

Mr. CRAWFORD. Mr. Chairman, it will certainly not be argued that the first price set by the Director does not include a profit. If the first price set by the Director does include a profit when the first sale is made, a profit is gained by the operator, and if he repeats the operation, he makes a second profit, and then may even make a third profit, and so on. See the language of the bill on page 8.

Mr. SPENCE. The very purpose of the bill is to provide homes for veterans and for those who have priorities. If a man should go in this business purely for speculative purposes, having the desire to evade the purpose and the intent of the law, he could be taken care of by regulations by the Administrator. There is no doubt about that. If he received one priority and came back asking for another priority, of course, that would be evidence that he was committing fraud on the administration. I think that argument has no weight whatever.

Mr. CRAWFORD. Mr. Chairman, I yield to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. If the veteran builds the house for himself, for his own use, and so certifies, and then actually moves in, and lives in the house and furnishes it, there does not have to be a ceiling price on it at all.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GIBSON. Mr. Chairman, I move to strike out the last two words.

My purpose, of course, is to defeat this entire measure. It is beyond me to comprehend what has come over this body of men.

Section 701 (a) sounds like a letter from a smart, but very young little girl to Santa Claus; one who knows only how to want and who has no conception of the possibilities of attaining her goal. Listen to the magnanimous words, and then in a sober reflection just realize how far they are from the accomplishment of anything but destruction and confusion. I quote:

The purposes of this title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate; to eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices; to encourage the production of housing at a fair profit; to improve the housing of the people of the Nation in order to foster their health and general welfare; to encourage employment in the housing construction industry, and to maintain such industry at a high level of productivity; to prohibit an undue dissipation of the savings of the people in the

Nation in the purchase of homes at speculative prices; to permit returning veterans to acquire housing at fair prices; and to prevent a post-emergency collapse of values in the housing field and to promote a swift and orderly transition to a peacetime economy.

If this Congress and the executive department does not come down from the clouds and practice, at least, the use of common judgment in dealing with national problems, then it would be well in the national interest that we all go home and the President take a vacation; and let the old ship of state sail under her own power. Every move we make serves but one purpose, and that is to create more confusion, place more restraints on those who would like to proceed with reconversion, and set up new bureaus to consume the tax moneys of those upon whom we levy such high taxes.

In short, what would this bill do if enacted into law? It would definitely assure that no one would build or sell even a chicken house. One would be afraid to attempt to, for with all the far-fetched requirements, the jail would be the only house one could get on his mind, for that is where he would be headed.

Let us analyze a little. Section 702 (a) creates another bureau with a Director at \$12,000 per year with the power to "appoint such employees as he deems necessary in order to carry out his functions and duties under this title," and do not think he would not deem plenty. When his recruits began piling into Washington, it would look like the gates of every community in the United States had been left open. There would be no one left to build houses.

Section 703 (a) provides as follows:

The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title. The Director is authorized to require any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy any housing accommodations—

- (1) to furnish information under oath or affirmation or otherwise,
- (2) to make and keep records, and
- (3) to make reports,

In respect of such dealings, sales, rentals, purchases, or offers. The Director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations. The Director may administer oaths and affirmations. For the purpose of obtaining any information under this section, the Director may by subpoena require any such person to appear and testify or to appear and produce documents, or both, at any designated place. In case of refusal to obey a subpoena served upon any person under this section, the court for any district in which such person is found or resides or transacts business, upon application by the Director, shall have jurisdiction to compel compliance with such subpoena.

Can you imagine a sane businessman walking into such a fly trap as this? Can you face your constituency after attempting to set up such a dictatorship as this? If some of this foolishness is not stopped, there is going to be a bunch around here that will quit having constituents, but will become a fellow constituent.

Section 704 (a) provides as follows:

Whenever in the judgment of the Director the sales prices of housing accommodations the construction of which is completed after the effective date of this title have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of housing accommodations as in the judgment of the Director may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Director shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

The OPA with all its powers that were so viciously used would look like a minnow beside a whale, if this monster is placed in existence.

Section 704 (b) provides as follows:

Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Director a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin profit reflecting the generally prevailing profit margin upon comparable units during the calendar year of 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

What statesman, architect, philosopher, or magician could, through combined efforts, work out the meaning of all these words? I doubt if there are many Members of this House, or if there would be many among the personnel of this proposed new agency, that would know a sleeper from a rafter, or a cellar from an attic; yet with that compilation

of words, you expect to labor and produce houses for veterans. God, pity the veterans, if from this effort, their roofs must come.

Section 705 (a) provides as follows:

Whenever in the judgment of the Director there is a shortage in the supply of any material or any facilities suitable for the construction of housing accommodations he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

Here is an attempt to set up another WPB—to form another bottleneck—by red tape and confusion unsurmountable. In other words, you are trying to set up a combination OPA-WPB. What will you think up to saddle on the people next?

Section 708 (b) provides:

Any person who willfully violates any provision of section 706 of this title, and any person who makes any statement or entry false in any material respect in any record or report required to be kept or filed under section 703, shall, upon conviction thereof, be subject to a fine of not more than \$5,000 or to imprisonment for not more than 1 year, or to both such fine and imprisonment. Whenever the Director has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

Here is where your last hope goes. When one who knows how to build, and, if permitted to do so, would build, reads this, again I say the jailhouse is the only house he would ever think of again. The American people have had quite a bit of experience with these dumb, wise boys out of Washington, and do not think for a moment a man of any degree of intelligence is going to risk his freedom to the whims and wild brainstorm of these boys from the bureaus.

Now, we have covered a few of the high points in this manifesto of the creative minds of Washington. Let us come down to earth for once, where we can look around us and see things through the natural eye—see them as they are.

To anyone who will permit himself to think, it is easy to see why there is a housing shortage, and, for that matter, a complete economic crisis in this country today. I hate to make this statement, but, more than that, I hate to know that it is true. There are two reasons, and two only, why we are not very nearly over the hump in reconversion and back to normal living in this country.

First, this administration through years of appeasement and yielding to the CIO and its fellow travelers, has built up a monster in the form of labor racketeers that have just about taken over this country. Were it not for the strikes, which in practically all instances are totally unjustifiable throughout the land, there would be an abundance of building material and a great start would be made toward furnishing automobiles, frigidaires, and other household equipment and farm machinery and equipment needed throughout the land for

normal living and abundant production for the happiness and welfare of the people of this Nation.

Besides the fact that this administration must assume the responsibility for the creation of this monster, which has assumed complete control of the destiny of the people of this Nation, this Congress has sat idly by and hog-tied industry and free enterprise and refused to make any constructive effort toward the regulation of the thugs and racketeers operating under the banner of organized labor. This Congress has seen every form of violence and destruction of property committed by this gang in violation of every fundamental law of this Commonwealth and in the face of such conditions, have constantly refused to make any sincere effort toward correction of these evils. I will give you just one example of the nefarious outlawry practiced by this gang: Under date of February 2, 1946, Mr. W. B. Gillican, of the Star Naval Stores Co., Inc., of Homerville, Ga., advised me that some time ago they shipped to the Worthington Pump Co. at Harrison, N. J., several worn and broken parts of a Worthington pump for replacements. On December 31, 1945, they were promised shipment of these replacements; then on February 1, 1946, this company was advised by the Worthington Pump Co. that the shipment could not be made on account of a strike at the Harrison plant. Star Naval Stores Co. then requested the return of the parts, with the purpose in view to have them duplicated in a local machine shop. Upon receipt of this request, the Worthington Pump Co. advised the Star Naval Stores Co. that they could not return the parts as strikers would not allow the management access to the plant in which the broken pump parts were stored and, therefore, they could not get to them to return them. If this is not confiscation of private property without due process of law, in the name of God I ask what could constitute a violation of this provision of the Constitution of the United States? This is only one of many millions of unlawful acts that have retarded a proper reconversion. Furthermore, one of the causes of the lack of houses in this country today is the fact that farm prices have been depressed and not permitted to rise along with industrial wages and that strikes have prevented farmers from getting machinery absolutely necessary to the operation of their farms and, therefore, returning veterans have declined to return to the farms throughout the land where there is a surplus of vacant houses.

The next fundamental cause that lies right at the door of this administration is the fact that we have set up every conceivable agency to regiment the very heartbeat of every person in this country who has had any desire to work and produce anything. The OPA has developed a dictatorship like which a free people have never been subjected to before. They have gone far beyond any scope of authority that was ever expected to be vested in them. In the city of Valdosta, Ga., last fall a man with plenty of means started to build 100 houses for rent, and he found that everywhere he turned he ran into some wise

guy from Washington who had to tell him just what he could do and just what he could not, and he, as many hundreds of others in these United States who know how to do things and who have the means to perform, declined to proceed further.

If this bill is passed, I assure you that there will be no houses built in the United States unless they are built by the Federal Government. It is my hope that the Government will never put out to build houses, as we had a very sad experience with its ability in this line during the war-housing period at a time, of course, that it was absolutely necessary that the Government get in that field. I can cite you instances where they came to the Congress with evidence to show that it was absolutely necessary at certain points to expend great sums for the construction of dwelling accommodations where people were camping and living in trailers. In one such instance in California they built a big apartment house or dormitory at a cost of more than a million dollars and were never able to rent but very few of the apartments. In another instance they spent hundreds of thousands of dollars to construct an apartment house in the Northeast, hauled furniture there and furnished it, and it is my information that they never rented the first apartment. The Government cannot do business, and all that may be expected, if we turn these bureaus loose to do this construction, is an absolute waste of the taxpayers' money and the building material in this country. It is inconceivable to me for a body of men presumed to be of normal intelligence to think of setting up another housing agency.

Today there exists at least four housing agencies, and here we come along seeking to set up another bureau at the cost of millions of dollars to taxpayers to add only to the confusion, inefficiency, and destruction of national wealth. If this Congress wants to serve the best interest of this Nation, it will take steps to disband all of these many bureaus trying to regulate the most minute details of the citizenry and industry of this country, and let the business people of this Nation proceed to advance forward, which policy has made the United States of America the greatest country on the globe. Another step that could well be taken by this body would be to stop the flow of raw materials badly needed in this country to foreign countries who have nothing but a boiling pot of confusion brought about by their mad scrambles to communize and socialize their Nation. We could well also stop the flow of the taxpayers money to these nations, and for once, give some sober thought to the welfare of the economy of these United States, and the peace, happiness, and protection of the returning veterans who we sent forth by an act of Congress to fight the wars abroad.

Unfortunately, the bureaus established here with unlimited and unheard-of powers to be granted any board or bureau in a land inhabited by free people, in too many instances exert their efforts toward playing politics with a view to getting votes and maintaining themselves in positions of power and glory.

While on this subject I want to bring to the attention of this Congress and the Nation one of the blazing and damnable acts of discrimination against a decent people that has ever been practiced by anyone in power, irrespective of the injustice of the heartbeats of such one exercising said power. The OPA has fixed price ceilings on pulpwood throughout the United States as follows:

Area	Pine	Hardwood
Alabama.....	\$7.60	\$8.10
Florida.....	7.60	8.10
Georgia.....	7.60	8.10
South Carolina.....	7.60	8.10
Tennessee.....	7.60	8.10
Louisiana (east of Mississippi River).....	7.60	8.10
Arkansas.....	8.35	8.80
Texas.....	8.35	8.80
Louisiana (west of Mississippi River).....	8.35	8.80
Maine.....	12.75	13.75
Minnesota.....	12.75	10.00
Michigan.....	12.75	10.00
Wisconsin.....	12.75	10.00
New Hampshire.....	13.25	14.75
Vermont (part).....	13.25	13.50
Do.....	13.25	14.75

For many months several Members of Congress from the South have been protesting with this all-powerful bureau, the manifest and outrageous discrimination practiced against the South on these ceilings. The officers of the OPA have never yet offered any legitimate excuse for this brazen steal. It is nothing but downright thievery from my people and the other people of the South through the authority of power granted this agency by this Congress. It will be noted that through the North the ceilings provide practically twice the sum per unit for pulpwood that our producers are permitted to receive. Through many months of effort we have been able to get the OPA to increase our ceiling \$1.40 per cord, which even though affords a little help, is nothing short of a grand insult toward rectifying, as stated before, a downright steal. Playing politics by any rule is beneath the position of a man in high office, but it transcends the lowest depth of cowardice and dogishness when it is practiced against the hands that have fed those in power. The reason, and the sole reason for this discrimination against the South is that the South through the years has consistently and uniformly supported the Democratic Party. It is an outrage and an insult to the intelligence of our people.

I am here and now putting this bureau on notice that unless we are granted an even ceiling with every other section of the country, that I shall not only vigorously oppose the extension of the powers of the OPA when the measure reaches the floor to extend its powers, but will use all of the influence at my command to cause others to so vote. I concede that this agency could function to the interest of the American people if it could for once quench its thirst for power and destruction. If it would only seek to hold down prices on actual necessities of life and permit the business people and laboring people of this Nation to go forward in the American way without being subjected to the whims of impractical wise guys from Washington,

it could, as said before, function to the advantage of the Nation.

Finally, and at last, if we are ever to bring ourselves back to the American way of doing things, we must meet that period in which we are bound to have some inflation. The only natural balance that we may ever expect will be when a sufficient supply of merchandise reaches the markets to again set up a system of competition and permit the people to spend their surplus money for the actual necessities of life that they have been denied through the last few years. It is unfortunate but true that the OPA and other bureaus are more responsible than all other causes combined for the shortage of commodities today. I could cite instance after instance where their unfair rules and regulations have strangled and stifled the life out of the productivity of this Nation.

Another thing that is disturbing to me and should be to the American people, is the fact that instead of getting rid of great surplus personnel on the Federal pay rolls, we are continually increasing it at a useless expenditure of public funds. It is amazing and unthinkable that the appropriations throughout have been greatly increased in a period following a destructive war and at a time that all appropriations and expenditures should be cut to the bone.

It is high time that the American people look closely into the activities at Washington. If some power does not rise up to cause this Congress to again make sober and sane approaches to the problems facing this country, nothing but destruction awaits our posterity.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is encouraging when a Member on the majority side will rise and make a frank, timely statement, such as was just made by the gentleman from Georgia [Mr. GIBSON].

I was impressed late yesterday afternoon while listening to the opening remarks of the chairman of this great committee when he repeatedly mentioned that we are in an emergency. Well, that is nothing new. We have had a series of emergencies ever since the New Deal came in. When our late colleague, Bruce Barton, left the House in 1941, he had then compiled a list of 38 emergencies that had arisen under the New Deal. We have been living in a constant era or age of emergencies for 13 long years.

This housing shortage is nothing new. President Roosevelt, away back in the early days of the "Misdeal," told us that one-third of our people were ill-housed, ill-fed, and ill-clothed, and he spent \$18,000,000,000 on relief work. If the housing situation was then so serious, why did he not devote most of that \$18,000,000,000 to building homes, rather than using it for raking leaves and robbing our people of initiative?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; I yield.

Mr. SPENCE. I was here during the last 2 years of the Hoover administration. There was not an emergency at that time, but there was such a depression you could see the stars at noonday.

Mr. KNUTSON. Yes; so the gentleman says. Does the gentleman remember that the Democrats were then in control of the House and they blocked Mr. Hoover at every turn?

Mr. SPENCE. Since I saw the change that came over our country when Mr. Roosevelt came in, it was a very beneficial change.

Mr. KNUTSON. The depression was the aftermath of the war you Democrats promised to keep us out of back in 1916.

There were yet over 10,000,000 men out of work when the Japs struck at Pearl Harbor after spending eighteen billions on relief and you had increased the debt from \$22,000,000,000 up to \$67,000,000,000.

Mr. ERVIN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. No; I do not yield. Mr. Chairman, I prefer that these hatchetmen speak in their own time.

Now if the bureaus could build houses, there would be no need for any further legislation, because God knows there are Government bureaus all over the country. You now propose to create another bureau. A bureau for what? To build houses. No, my friends; you are not going to get houses with more bureaus. You are going to get houses through production. You are going to get houses by getting people back to work and producing the things that are necessary to build houses. You are not going to do it with more bureaus. In the 13 years you have been in power you have increased the number of bureaus and commissions from 68 to nearly 1,200. You have tried that remedy repeatedly. You tried to regulate the dairy industry with OPA, and today we read in the morning papers that there is only a 2 days' supply of butter in the entire Nation. No, my friends; you are again on the wrong track. You will have to find the right method, and the right method lies in more production. We all are for homes for all, but we do not deceive ourselves that we shall get them with more bureaus.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

VETERANS' HOUSING SHOULD NOT BE POLITICAL

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I dislike very much to see this issue made a partisan political issue; it should not be, and I want to appeal to my Republican friends to desist and refrain from attempting to or making it a political issue. It is too serious for that.

When VE-day and VJ-day came we made arrangements immediately for the demobilization, the quick demobilization of millions of men. That upset our economy here in the United States. It was right that we should demobilize them just as quickly as possible. We did what we should have done, but at the same time we did not have the materials and we did not have the plans, we did not have the program to provide for the housing of these millions of veterans. It is true, as the gentleman from Minnesota stated, that our national debt is very, very high, but regardless of any national

debt, this war is not over with the 15-, 200,000 men and women who served in the armed forces during World War II until we get them readjusted in our American economy and until we can give them the freedom and the rights that they were fighting for upon the battlefields of the world. This is one of the first steps in that direction, to give them a decent place in which to live. Good shelter? Yes. It is true that our country was ill-housed many, many years ago, and it has become increasingly worse every year by reason of a matter over which we had no control, World War II.

During the year 1925 we produced 937,000 residential housing units in the United States, the highest number which was ever produced before or since in this country. It was the only year that enough residential housing units were completed to take care of the actual demand. Since 1925 the number of residential housing units has been going down, down, down every year; and last year when public housing should have been adequate there were fewer than a quarter of a million residential housing units constructed in the United States of America. Therefore the problem that we had with us before the beginning of World War II has become increasingly worse by reason of these problems over which we have no control.

I want to appeal to my Republican friends not to make this a political issue; it is too serious for that, it involves these men whom we voted to send to war; it involves their families; it involves a debt that we have to perform for these men and their families, and anything like that should transcend political lines in the House of Representatives or any other legislative body.

PRESIDENT TRUMAN'S PROGRAM

It is true that we shall have a difficult time producing enough houses within 2 years even to halfway satisfy the demand for these houses. But President Truman with the help of Mr. Wyatt has a program. That program calls for 2,700,000 houses during the years 1946 and 1947. The President of the United States is calling upon this Congress, pleading with this Congress to give him cooperation to the end that he can satisfy the homes and families of at least 2,700,000 veterans during this year and next, veterans who are now doubled up with their in-laws living the best they can. Do you not think we have a duty to perform in the matter?

You supported these appropriation bills that came before this House. You helped increase the national debt. You did the right thing by doing so. It was the only thing you could do. When we needed housing for war workers you voted unlimited amounts to build those houses for war workers. You voted public money to be used to guarantee mortgage loans that would enable a war worker at any time during the 4 years of this war to buy a home for a reasonable price. The laws that you passed helped to keep those prices down. If they wanted to rent a home the laws that we passed, the laws that you voted for, helped to keep the rental down, even if it

required the expenditure of funds from the Public Treasury.

We did exactly right during those 4 years. We did exactly as we should have done. Now, when the war is over and these servicemen are coming back here at the rate of 30,000 a day, commencing soon after VJ-day, what is our duty toward these men who have been away 4 years, who have been on one or more of the 55 battle fronts of the world, who have been fighting the battles to save our country? Many of them have come back for the first time in 4 years. Do you not think we should give them preference and the opportunity for just 2 years to secure a home?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the passage of H. R. 4761 in its present form will, in effect, repeal title III of the GI bill of rights, which is the loan title. This is not a bill to aid the veterans, but, on the contrary, a bill that will hinder the veterans for the following reasons:

In 1944 this Congress passed the original GI bill of rights. Title III of that bill provided for loans to veterans with a guaranty up to \$2,000 and provided that these loans should be approved by the Veterans' Administration. After that bill became law and the regulations were issued by the Veterans' Administration we discovered that two appraisals were required for each loan, one by the lender and one by an authorized appraiser of the Veterans' Administration. Regulations were issued by the Veterans' Administration running as high as 18 and 20 typewritten pages for 1 paragraph of the bill.

The result of that was confusion and chaos. The veteran was disillusioned, disheartened, disappointed, and after an attempt or two on the part of the veteran he gave up in disgust and no longer endeavored to take advantage of the loan provision of the GI bill. He had to pay for two appraisals, he had to wait from 8 days to 10 weeks to find out whether the loan was approved, there were more of these applications being turned down than approved because of red tape.

Following that, in 1945, the Committee on World War Veterans' Legislation presented to the Congress a bill, which was passed, to simplify in particular the loan title of the GI bill of rights and at the same time that bill raised the guaranty to \$4,000 and extended the period of time during which a loan for a farm had to be paid up to 40 years, on all others 25 years; and also provided for an automatic guaranty to the end that if the lender lent an amount not in excess of the appraised value fixed on the property by an authorized appraiser of the Veterans' Administration, the loan would be automatically guaranteed. Two appraisals were not necessary.

In that amendment we provided also a 90-day waiting period, a 90-day period during which loans under the original bill may be cleaned up in order to start on the new bill. That period has just about expired. They have already started making loans under the amended

GI bill. It is meeting with great satisfaction and great approval from all over the country because at last we are making it possible for the veteran to get a home at not an excessive price, reserving to him all of the priorities.

Now look at the bill before you, on page 4, section 703 (a). What does it say?

The Director is authorized to require any person who deals in, sells, rents, or buys, or offers, to sell, rent, or buy, any housing accommodations—

Then it goes on and requires him to make reports and keep records, and so forth. Remember, the veteran is buying these homes with the money he gets through the loan under the GI bill. You have put him right under the provisions of this bill, and he will have to qualify with all of the red tape, all of the regulations, and all of the rules set up in this bill by the director before he will know whether or not he can get a property on which he can go to a lender and get a loan approved. By enacting this bill you are going further, however, than we did under the original GI bill of rights. You are loading up the veteran with more delay, more disillusionment, more discouragement and more red tape than he had under the original GI bill, which was such a failure and disappointment and which we have now corrected.

I want to say one thing more. I have given this bill very, very careful consideration. I cannot find a single word in it that provides that a single veteran will get a single home. What he will get is confusion and red tape. There is no provision in it that the Government will provide and build homes for the veterans at reasonable prices. All you are doing is destroying the GI bill of rights as far as the loan title is concerned, adding a lot of confusion and disillusionment to the veteran with additional red tape.

I say, if you want to aid the veteran, defeat this bill. If you want to hinder the veteran, vote for it.

Mr. BUFFETT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have taken this time to call to the attention of the committee an amendment which I propose to offer at the appropriate time. It appropriately should be called a small business or competitive enterprise amendment. It reads as follows:

(f) In order to achieve maximum production of materials suitable for use in the construction of housing accommodations the Director is authorized and directed to issue a directive on policy to the Price Administrator requiring the Price Administrator to establish within 60 days after the date on which this title becomes effective a maximum price with respect to each such material: *Provided*, That no maximum price shall be established or maintained with respect to any such material which (1) is below a price which will reflect to producers, manufacturers, wholesalers, distributors, jobbers, and retailers dealing in such material a fair and reasonable profit per unit, based on current costs, or (2) will reduce or result in the reduction of the dollar-and-cents trade discounts or dollar-and-cents mark-ups with respect to such material below the dollar-and-cents mark-ups with respect to such material below the dollar-and-cents dis-

count or dollar-and-cents mark-ups applicable on January 1, 1945.

Mr. Chairman, this amendment is designed to give the small businessman in the building materials industry a fair chance to survive. Most Members of this House believe in small business. Most Members of this House believe in free competitive enterprise. This amendment, or an amendment of this type, is necessary if this House is going to prevent small business from being squeezed out of the building materials field.

This amendment would prevent price manipulation policies that are squeezing the little businessman out of the picture. If we want to get the houses built, we should give small business a chance to stay in the game.

The Members of this House do not want to see the business of the Nation concentrated in giant corporations. This amendment would be a constructive move toward preserving small business and a truly competitive enterprise system.

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas does not want this made a political issue. He should not have brought the bill out if he did not want that done, because the bill itself creates a political issue. The nature of the bill does that. It does not take the Republican side to make this a political issue.

I intend to offer a substitute to the Wolcott amendment which, if adopted, will really do something to build more houses. This is a simple, straightforward amendment. It goes to the root of the matter, so far as this is possible under the existing circumstances.

It provides that the Director of War Mobilization and Reconversion be directed to prevent maximum prices being established or maintained in respect of building materials which result or are likely to result in discouraging the production, manufacture, or processing of building materials to be used in the building of homes.

It does not provide for creating any new agency. The task of carrying out the provisions of this act would be vested in the existing Director of War Mobilization and Reconversion. My amendment further provides that no duty or function imposed or conferred upon the Director may be transferred under the First War Powers Act, 1941, or otherwise, to any other office or agency of the United States.

Whenever any maximum price is established or maintained in respect of any building material needed in the building of homes at a price which discourages the production, manufacture, or processing of such material, the Director is authorized and directed to issue an order directed to the Office of Price Administration and to the Price Administrator requiring the maximum price to be raised so that it will no longer discourage the production, manufacture, or processing of such material.

The Director is specifically directed to take into consideration the need of granting wage or salary increases to permit—not to encourage, but to permit—free production, manufacture, or processing of such material.

My amendment specifically prohibits the use of subsidies.

This is a sensible American proposition I am asking you to consider. I cannot conceive a valid objection that can be offered to it. It does not remove price controls over materials that go into the construction of homes. It merely directs the Director of War Mobilization to prevent the OPA from placing ceilings on prices of these materials that are so low they cannot be produced. What is wrong with that? There cannot be anything wrong with it. It is the way and the only way to do this job and provide homes for veterans at the lowest possible cost.

It is the grossest delusion that the use of subsidies could benefit veterans or anybody else. Subsidies would have to come from Government printing-press money which would mean more inflation and hence higher costs of living. Subsidies are a subterfuge and only lead to more regimentation which means shackling still further production, thus speeding up the vicious cycle that is leading the Nation to ruin.

The Government already has all the powers required for giving priorities and allocations for building homes for veterans. There is nothing provided in the Patman bill in this respect that the Government does not already have power to do.

I want to call the committee's attention in particular to the provision in my amendment which directs the Director to permit wages to rise wherever he thinks it necessary to permit production. This is a fair provision. The Government has not been impartial in its policy of permitting wages to rise. It has allowed them to rise in large industries but not in small ones, and the small ones are just as important in getting the economy going as the large ones.

It is true my amendment would give the Director of War Mobilization what would amount to dictatorial powers but in this instance his powers would be used not to choke the life out of the economy but remove Government shackles so that it may breathe and live again. If we have to have a dictator, and I don't say that we do, let us have one that will dictate the Nation back to free enterprise and not down the road toward communism.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have been very much interested in the gentleman's remarks. May I call his attention and the attention of the House to a statement which appeared in the Wall Street Journal of yesterday relative to the ceiling prices on finished flooring, which I mentioned in debate yesterday when I told how the ceiling price of finished tongue-and-groove flooring had been fixed at a lower level than the ceiling price on the

rough lumber from which the flooring was manufactured. On the same day the Wall Street Journal carried a story from Washington saying that the retailers will absorb the 10 percent rise in mill price ceilings granted on flooring. This increase in the ceiling prices on flooring has been granted suddenly by the Office of Price Administration after the matter had been discussed in the Committee on Rules and after there had been an attempt for seven long months by the industry to get such a price increase.

RETAILERS WILL ABSORB 10 PERCENT RISE IN MILL PRICE CEILINGS ON FLOORINGS

WASHINGTON.—Retail ceiling prices on several types of flooring must be computed on the basis of producers' ceilings last December 1, the Office of Price Administration announced.

By requiring retail redistribution yards to set their prices on last December mill ceilings, which were 10 percent lower than current ceilings, the OPA is demanding full absorption by retailers. Wholesalers may compute their ceilings on the basis of the adjusted mill prices.

The flooring items affected by the 10 percent mill price increase are: Oak and pecan, and hardwood of miscellaneous species cut in the southern, south central, and Appalachian hardwood regions.

Southern retailers were permitted by the OPA to increase their mark-ups on these flooring items by an additional 5 percent.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BARDEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I must confess I am a rather disappointed man today. I rushed back, traveled all night to get here for the purpose of voting for the veterans' housing bill. I asked for a copy of the bill this a. m. and they brought me this H. R. 4761. After looking through it, I said, "Certainly that cannot be the bill." But it so happens that it is. The first few pages of this bill simply set up about the most high-powered bureau I have ever seen in my life. Much of it is duplication. I hope the gentleman from Kentucky or the gentleman from Texas will correct me if I am wrong.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. BARDEN. Yes; I am glad to yield to the gentleman for a question or for any information that anybody can give me so that I can get some little encouragement on this proposition.

Mr. PATMAN. We have worked on this bill for 3 months. I do not see how the gentleman could come back here last night or this morning and just pick up the bill and find out so much about it. I recognize he is a man of great ability and I personally have great respect for him.

Mr. BARDEN. Let me tell you I have seen a lot of people work for 6 months on something that I could read in 5 minutes and understand it, and I must confess I am not so sure I understand this. I do not understand why there should be this duplication of power which the rent-control department of the OPA has right now. That is piling bureaucracy upon bureaucracy. May I say to the gentleman right now, and I think the gentleman knows it just as well as

I do, that the big obstacle today is not the lack of legislation such as this, but it is the production of building materials.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. MAY. When I was down home last week I saw the beginning of a real-estate inflation. This bill starts out and declares a policy of preventing that inflation in real estate. Can the gentleman tell me what provision of this bill will do that?

Mr. BARDEN. That is the \$64 question. Frankly, our sawmills all over the country are shutting down.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield briefly.

Mr. BROOKS. In Louisiana just the other day the Tremont Lumber Co. closed down and gave as its reason the fact that the price control was such that it could not operate. That mill normally produces 30,000,000 board feet of lumber a year. I brought that to Mr. Bowles' attention and I got a report from him. He says he does not know why the mill closed down. But the fact is we are short now 30,000,000 board feet of lumber.

Mr. BARDEN. Why, I am sure that is true. The largest lumber mill in the State of North Carolina is within a half mile of my home and it has not cut a board since January 1.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. BARDEN. I am glad to yield to the gentleman.

Mr. PATMAN. There will be an amendment offered which will be for the purpose of breaking just such bottlenecks as have been mentioned by the gentleman.

Mr. BARDEN. Well, then, I say let us give that amendment the title of this bill and pass the amendment.

Mr. PATMAN. The subject of the amendment is contained in the original bill, I will say to the gentleman. I hope the gentleman will not commit himself against it because I think when he finds out all about it he is going to be for it because he will find that it will help building and will channel lumber into the most deserving hands.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield for a question?

Mr. BARDEN. I yield.

Mr. BROWN of Georgia. Does the gentleman from Texas refer to the provision which appeared in the original Patman bill?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. PATMAN. I refer to the amendment which will be offered by the gentleman from Oklahoma [Mr. MONRONEY], which will provide for a premium payment plan, the kind that our Republican friends have always supported to help production. They have always supported production subsidies.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. BROWN of Georgia. I am glad to hear the gentleman from Texas [Mr. PATMAN] state that the gentleman from Oklahoma [Mr. MONRONEY] will offer an amendment called a premium amendment, but the gentleman will remember he said previous to that that this same amendment was in the bill, the one that was voted out of the committee.

Mr. BARDEN. I am sorry I am not familiar with what took place in the committee.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I want to be generous with my time—

Mr. PATMAN. In justice to me, will the gentleman yield? I assure him I will not ask any more.

Mr. BARDEN. If the gentleman will make it brief.

Mr. PATMAN. I intended to say that the subject matter of that amendment was contained in this bill, and I reiterate that; it is. I insist on it.

Mr. BARDEN. In all seriousness, I want to say that my people are just as anxious to be of assistance to the veterans as any people in America, but I am not going to be a party to fooling my veterans. I am not going to take this well and shout out in strong language, "Are you against helping the veterans?" until I have something that I think is genuinely of assistance and is sound. The average veteran is going to think of this—they are not thoughtless fellows, you know. They are going to think of this, when you start your subsidies; that is, that they know they are going to eventually have to pay the bill.

When I read of all this power and authority, about their coming in and inspecting my house, and inspecting your house, there are enough folks running around my house now. Frankly, a fellow could take the power contained in the first four or five pages of this bill and do just about anything he wanted to, and then issue a directive against another governmental agency and make them do it too.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Miss SUMNER of Illinois. The gentleman knows that every business that has had OPA ceilings has had a terrible time trying to get justice, trying to get ceilings that would cover the cost. Does the gentleman think it is fair to the veteran to put an OPA ceiling over their house and make them try to get cost, when nobody else does from OPA?

Mr. BARDEN. I will say this. I have at times been critical of the OPA, and I find it necessary sometimes to be so now. At the same time I think it certainly is not without some virtue, and it has rendered a great service in a very distressing time. But I think they can carry it to the point of being an ab-

surdity. The OPA now is struggling for existence. I want it to get along and operate normally, but certainly I am not anxious for it to grow very much. I would like to trim it down a little.

Frankly, I am serious about this. I will ask the gentleman from Texas this question: Have not virtually all the powers in the first two or three pages of this bill already been granted to the OPA?

Mr. PATMAN. No, not necessarily.

Mr. BARDEN. Well, I do not want any "No, not necessarily." I want to know if they have been granted.

Mr. PATMAN. I cannot answer the gentleman categorically. It requires some explanation. In the Second War Powers Act I think the President has practically all the powers which he has delegated to the present Expediter, Mr. Wyatt, contained in this particular bill, but those powers expire on June 30. You cannot carry out a 2-year program to build 2,700,000 houses in just a few months.

Mr. BARDEN. I think I get the gentleman's trend on that.

Would the gentleman just cite me the housing section in this bill where you are going to help with the housing?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. What section is that?

Mr. PATMAN. No. 1 is barring further use of materials for the construction of theaters, honky-tonks, and race tracks, and compelling them to use that material to build residential housing units for veterans. That is No. 1.

Mr. BARDEN. I do not know which is the worst, trying to build a honky-tonk or trying to get one of these things through a bureau in Washington. We want to make it easier.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

(Mr. BARDEN and Mr. KNUTSON asked and were given permission to revise and extend their remarks.)

Mr. CARLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have followed the debate on this housing legislation very closely. Everyone agrees that the housing shortage is concrete and real and, therefore, should respond to a program that is sound and practical. Millions of our boys are returning from foreign battlefields and are in need of houses. The American home is one of the most sacred institutions of the country. It is one of the bulwarks of democracy. I contend it is a moral and sacred obligation on the part of all of us to assist these returning veterans in every way we can to secure housing facilities.

On the other hand, this problem will not be solved by demagogic statements and emotional appeals. I think it will respond to a practical, common-sense program which will provide lumber, cement, bricks, hardware, and other building material.

The pending Patman bill would place the control of these materials in the hands of an expeditor or housing czar. It would be a complete regimentation of every phase of our construction industry.

This expediter would have control over the allocation of materials for flood control, highways, and other essential building programs that are of great concern to the veterans, as well as every other citizen. If you want regimentation and bureaucratic control which smacks of dictatorship, then the proposed bill should meet every requirement. It is my contention that we do not need Government action to stop the housing shortage. What we do need is to abolish the impractical, ill-conceived bureaucratic restrictions of the OPA and our housing program will be on its way.

On January 15 a CPA news release stated that 80 percent of the southern pine lumber produced was going black market. Those intimately concerned with the lumber business felt that this was a fair if conservative estimate. This means that today mills willing to take a chance are shipping lumber at black-market prices which the home builder is ultimately going to pay while production will remain low because relatively few mills will take this chance. However, if OPA would recognize the situation and adjust their prices to approximate the cost of present small black-market production we would immediately see the beginning of tremendous legitimate production which would go far to relieve the bottleneck which is denying home construction today.

Not only is there a black market in the lumber industry, but the present price ceilings are such that it is impossible to secure any type of lumber needed for building. For instance, the OPA allows only \$3 per thousand for sawing a 3-inch plank into two more boards for sheathing. The cost is normally about \$7.50 per thousand, so the mills make dimension lumber instead of boards. Under these circumstances it is, of course, impossible to get the type of lumber needed for construction of houses. Following are some reasons why we do not get needed lumber:

The fir lumber mills are permitted to charge from two and one-half to six times as much for rough green ship decking as they can charge us for 1 by 4 to 1 by 12 common boards, or 2-inch framing material for housing purposes. There are still 650,000 people employed in shipyards in this country.

One-inch rough green boards may be sold for railroad cars at 25 to 80 percent more than the mills may charge us for No. 1 common boards and framing lumber for housing purposes.

Rough green clear timbers, 12 by 12, may be sold at the mills at 15 to 50 percent more than they may charge us for B and better top-grade kiln-dried flooring and siding.

During the debate there has been considerable discussion about the exports of lumber and the usual stock answer is that we export only a negligible amount of lumber and import much more. Regardless of that, we are anticipating an export of about 1,000,000,000 feet of lumber this year, and that would construct a large number of houses.

My attention has just been called to an article on page 3 of the Daily News, Los Angeles, Calif., Monday, January 28, 1946, of a yard in Mexicali, Mexico.

This yard is brim full of lumber, even in the driveways the lumber is piled high. In Mexicali there is a building boom, residential as well as commercial. This paper states that Mexicali has grown, in 4 years' time, from a city of 12,000 population to a city of 35,000 population, and has managed, despite ever-rising inflationary conditions, to keep its residential and commercial building from lagging too far behind.

Across the border from Mexicali is the picture of another lumber yard, in Calexico, Calif. The Calexico yard is apparently bare. It is unable to stock one-tenth of the lumber stocked by the yard just across the border in Mexicali. Obviously there is a reason for this, and in my opinion the reason is the bungling OPA policies.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from California.

Mr. HINSHAW. The only thing that separates those two lines is an international fence and the laws and regulations of our country.

Mr. CARLSON. There is no question about that.

There is another matter I want to discuss before closing, and that is subsidies. Most everyone must agree that money and credit are not the problem in home construction. In fact, both of these are available in every community in the Nation. Therefore, it seems most absurd to suggest a subsidy for houses. Those who argue vociferously in favor of subsidies are the same people who contend to be greatly concerned about inflation. After all, what does bring about inflation faster than a program of subsidies? At the present time we are taking money out of the Federal Treasury to assist the people in paying for their own grocery bills. Now it is suggested that we do it for homes. This may be a sound program to some but it is not the type of economics I learned in the schools I attended. If we enter into a program of subsidies for the building of houses it will be natural that we establish a large number of fly-by-night prefabricating plants in the country that will flood the Nation with cheap, poorly constructed homes that will have no lasting value. We will saddle the cost on the veterans and in the long run will not be doing them a service. In fact, it will be a disservice.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from New York.

Mr. BARRY. In my part of the country and in most parts of the country with which I am familiar the price of new homes today and old homes is far out of range of the pocketbook of the veteran or at least the great majority of the veterans. Will the gentleman tell me how by lifting the ceiling prices and increasing the price of materials we are going to put those homes within the range of the veteran's pocketbook?

Mr. CARLSON. I do not know how you are going to put them in the price range of the veteran's pocketbook, but I do know if you take off these ceiling restrictions it will get homes in this

country and that is what we need. We can make other provisions for aiding the veteran in home purchases.

Let us use some common sense in working out this program by getting our construction program started through the increased production of every type of material. We have the money, the credit, labor, and all we lack is a little common-sense thinking.

Mr. Chairman, I am including three letters received from citizens in my district regarding the pending legislation:

HOLYROOD RURAL HIGH SCHOOL,
Holyrood, Kans., February 17, 1946.

Hon. FRANK CARLSON,
Representative, Washington, D. C.

HONORABLE SIR: I have been reading a protest by you over the lumber situation and the shipping of the same from this country. Why cannot something be done about the situation? Yes; all of this ballyhoo about 2,000,000 homes is in a large measure just another expenditure for the taxpayer. These homes are not permanent and will not satisfy or justify the expenditure. The Government will underwrite the cost of these units and in a large measure they will be paid for by the average citizen through taxes. Why must we send lumber abroad when it is needed so badly at home? Mass production of homes will stiffen labor problems throughout the country and the cost of prefabrication will be largely centralized in another section of the country. This does not make for economic adjustment in any State or in any part of a State.

Note what has happened to the average small contractor throughout the country. He was not large enough to take a Government contract on building of war camps. He suffered. Now materials have deprived him of a chance again to make an honest living. Now with a new restriction on, he must get a 4-H rating and build for a problematic GI in order to live. Tell me just why we cannot have free enterprise and materials with which to build. We cannot buy brick for construction without a priority rating. Why?

We cannot buy inch stock or boards for building. Why? The OPA allows only \$3 per thousand for sawing a 3-inch plank into two more boards for sheathing. The cost is normally about \$7.50 per thousand. So the mills make dimension lumber instead of boards. Contractors on the west coast have purchased about 60 percent of small mills to have a source of supply. They can make their own boards. Where is the OPA? I was expediter during the building of Smoky Hill base and the lumber purchased for this project averaged \$55 and now the same dealers get \$80 in Salina for an inferior lumber. Tell me why? If some of the situations are not corrected soon, I predict a disaster that will make the depression of 1931-40 look like a schoolboy's holiday.

Yes, I read Time. I could say as much about the article on cotton. I have tried for more than a year for some new shirts. The picture is not a pleasant one. I am still looking for shirts. Well, keep up the fight, we may be a long way from winning the peace.

Respectfully,

LEN HARDEN.

GEORGE M. BEAVER LUMBER CO.,
Colby, Kans., February 11, 1946.

Hon. ARTHUR CAPPER, Senator,
Hon. FRANK CARLSON, Congressman,
Washington, D. C.

GENTLEMEN: Wish to insert part of a letter written by a wholesale lumber dealer. In part it says:

"The situation is very bad, but really looks worse than it is. The problem is an OPA problem all around and if somebody can dynamite the OPA office, some lumber might start coming down the 'crick.' The men who

can make rough timbers and plank won't take orders so long as OPA is threatening to reduce rough prices. They want to see the price schedule before they go ahead. OPA might put it so low they'll want to shut down. On the other hand, they won't take orders for rough boards and dimensions so long as a 12 by 12 is more profitable than a 2 by 4. Right now the problem is 100 percent the problem of OPA trying to run the industry and falling down at it."

That, gentlemen, is the whole story. As long as this exists, the small businessman, like myself, just as well fold up as we depend wholly upon the wholesaler to secure lumber for us and as long as they cannot add a little commission for their troubles, no inducement for them to try and buy lumber for their customers. I do hope Congress will do something about this.

Yours very truly,

GEO. M. BEAVER.

GEO. D. TUBES LUMBER CO.,
Norton, Kans., February 26, 1946.
The Honorable FRANK CARLSON,
House of Representatives,
Washington, D. C.

DEAR MR. CARLSON: I wired you last night as follows: "If Patman bill H. R. 4761 includes subsidies to manufacturers of building materials or prefabricators it will actually curtail production and work against needed housing for veterans. Industry needs and wants relief from the stringencies of OPA, not subsidies and priorities. I speak from experience. Trust you will oppose such legislation." I am sorry that I did not know sooner that this bill was, with a proposed amendment, about to be brought onto the floor of the House today, for I would have liked to have written you a long letter in regard to it. I, as you know, have spent many years in the retail lumber business. Have been in close touch with the manufacturing end, as well as having a lot of experience with the actual construction of housing. I speak from actual experience when I say that the lumber business is today in by far the worst condition I have ever seen it, and instead of getting better it grows daily worse. A lot of legislation that is now being urged in the name of help to ease the housing shortage, help the returning veterans to find a home, etc., will, if adopted, not only fail to help these things, but will actually work against the very things they are supposed to help.

Business as a whole has always done a pretty good job of taking care of things if given a chance, but it looks as if some in power are determined to have more regimentation and control of private industry instead of letting things get back to normal.

In this community, and in about all others with which I am familiar, the building of homes would outstrip the market for same in a short time if we could only get materials. Money and credit are not the problem. Either are easy to get. In fact, there is too much money and too much credit in most communities for the ultimate good of things in general, but you can't build houses for returning veterans if the only things you have to work with are money, credit, subsidies, and priorities. It takes material to build homes.

I wonder who it is that has helped to build up communities such as ours. Is it the retail lumbermen and the local contractors or is it the prefabricating companies located on the coast? Why is such an extreme effort being made to get materials into the hands of the prefabricator and even give him a subsidy and guarantee him a market for his prefabricated house when nothing is being done to get materials into the hands of those who could and would build better homes if materials were available? I might call your attention to the prefabricated farm structures, such as granaries, etc., which were built

during the war. The same racket was used then, only it wasn't as bad as the one proposed at present. Prefabricating outfits were given priorities to get materials. They built granaries from the poorest material possible, the workmanship was worse, the designing of the buildings was anything but good, the finished product was not what the farmer wanted, and the price was higher than it would cost him to build from regular materials had they been available, but instead of doing something to make them available and channel them into regular sources of distribution they were handled the other way, with the result that many of them are still unsold throughout the country and a large majority of those that were purchased by farmers are now the poorest thing in the way of equipment he has on his farm.

The same thing is and will be true of prefabricated houses. When the time which is consumed in making them up is taken into consideration and added to the time it takes to erect them, nothing is saved along that line. The material used will not be as good. The cost to the veteran or other customer is more, the design is not as good, and the house is not as practical.

Why not do something to help the legitimate manufacturer of materials by taking the OPA off from his neck? Why not do something to stop this black market in lumber, which they all know exists, and which keeps honest people from getting materials? Subsidies and priorities are not the answer. They are not needed. All the industry needs is a chance to get materials. Give them that and the housing program will take care of itself in a short time. Priorities Regulation No. 33 has only disrupted the normal flow of lumber. I hope you will do your best to see that production is not further curtailed by the adoption of more legislation along these lines.

Very truly yours,

GEO. D. TUBES.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. MURDOCK. Mr. Chairman, I rise in opposition to the pro forma amendment.

(Mr. MURDOCK asked and was given permission to revise and extend his remarks.)

Mr. MURDOCK. Mr. Chairman, while trying to keep an open mind with regard to the two bills before us at this time, I want to direct my attention and urge yours to another matter which is desperately critical. My friend from Minnesota said here earlier today that we have been fed up with a lot of emergencies. He seemed to be playing down the fact that there is an emergency. Perhaps I have not quite quoted him correctly, but, anyway, it is called to our attention that we are now in an emergency—another emergency. Now, I cannot make light of this emergency of lack of veteran's housing, and no Member of the House may minimize the emergency which exists right now. We are indeed in an emergency.

Mr. Chairman, if it had come to our attention in the midst of the recent war that an army of this country on foreign soil was without food or ammunition, would we not call that an emergency? Certainly we would. Today these men are home, and thousands are without dwelling places. I am getting letters from men in Phoenix, Ariz., making certain startling observations. I have received several letters within the last few days from Arizona from a veteran of the

First World War, a man in whose judgment I have confidence, and his statements disturb me greatly.

What does he tell me? He tells me that out of the 30,000 veterans returning to this country from abroad every day, 200 of them are coming daily to Phoenix, Ariz. Where can they go? Dwellings cannot be rented nor built. Where can they go? No doubt that situation is typical.

Mr. Chairman, I want to drive home this point: Think what it means. Two hundred of the veterans of this war are coming to Phoenix, Ariz., every day; and this has been the case for sometime. This friend of mine, a veteran of the First World War, a man interested in veterans, said that he took a drive out into the country just recently and on that drive he picked up 15 ex-service-men to ride a portion of the way. About two-thirds of those men were not Arizona people. They had come to Arizona from other States. Every one of them was living on the \$20 compensation which he gets. Not one of them had found a place in which to live in Arizona. He says they are bitter. I do not know how many of them found employment, but they cannot find a place in which to live. No doubt if they move on they will find similar conditions elsewhere.

This same keen and sympathetic Arizona observer cries out against the high and rising cost of living, as the line has been very inadequately held to his knowledge. He says that he himself has seen, and that many returning veterans bitterly complain of, large buildings going up in Phoenix with apparently sufficient materials, whereas veterans cannot buy a shingle for a home. He declares that these angry and disillusioned young men are demanding to know why these things are so. Are these conditions what we promised them?

I listened to what my colleague from Iowa, PAUL CUNNINGHAM, said concerning our extended and liberalized GI bill of rights. I know the splendid part he played in shaping that desirable and necessary legislation, and I know his sincere interest which prompted his great heart to work for liberal and generous provisions for those veterans who were fortunate enough to return. I have the same interest in them as I know he has, but I have less opportunity to give expression to it in the shaping of veteran legislation. But this is the question in my mind:

If we remove controls and price ceilings as some are advocating and let the law of supply and demand operate, will not the cost of building run so high that even the latest and more generous provisions of the GI bill of rights be entirely inadequate for the average veteran to make a beginning on obtaining a home? If the cost of the most humble sort of dwelling is to run up to eight or ten thousand dollars, and the chances are that under the operation of supply and demand it would run far beyond that, how would the latest and most generous version of the GI bill of rights help in that situation? Are we willing to again modify the loan provisions of the GI bill and double or treble its home-owning benefits? If we are not willing to do

that, I can see in the proposals made here by some of the opponents of the Patman bill, the enactment of a different kind of legislation which will indeed result in building homes but they will not be homes for veterans. Rather they will be pretentious and expensive homes for the war profiteers who have made their pile while the soldiers fought and died and who now after the war are enabled to get their building construction through action of this Government done in the name, and for the cause of, those same veterans. Is this the type of legislation that business is demanding and the Nation wants? I can see more than one way this situation could prove a mockery to veterans.

The compensation we are paying veterans is not adequate with rising prices. How can they buy homes? I want to tell you that jobs and homes for these men who are coming back constitute as great an emergency as this country has ever faced, even in war. Neither industry nor Government has done enough to meet it. I hope we can meet this emergency by the right kind of legislation. If this bill is not the right kind of legislation, for God's sake let us get the right kind of legislation and get it quickly.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, 2 years ago I remember that we had many tears shed about whether they were going to vote the soldiers or let the soldiers vote. But I had not seen anyone worrying much about it before they went to war and I have not seen anyone worrying much whether or not they are going to allow them to vote in the various States since their return. Surely, we can get into an emergency and we can get into a mess and I have come to the conclusion that the present administration is in both of them most of the time. They get into most of them themselves. Why have not they allowed homes to be built these many months?

I have a little town in my district. They have considerable timber and lumber in the community. We do not use all of the land for producing milk. I have a man that wants to start up in the lumber business in this little town of around 800 people. What reason do you suppose the OPA gives for not letting him go into the lumber business? The OPA will not let him go into the business to sell lumber that he gets from a company because he happens to have an interest in the lumber company. He cannot buy lumber from that company. If a veteran in that community wants to build a house, he surely is not going to get any lumber from that particular company, because they tell him he could not buy from this would-be retail lumber dealer. A veteran cannot obtain lumber to build a home from this man. These people up there who have to repair their buildings and build milk houses to take care of their products out in the country when it is 10° and 15° below zero do not need the OPA to tell them what to do with their lumber. The war is over.

If you want people to have houses and be in a position to repair farm buildings, you should not put a lot of restrictions in there that I do not believe this Congress or any other Congress ever intended to be in any act.

This man who wants to go into the lumber business is a prominent man, chairman of the county board of his county, a man who is looked upon very highly in his community. They will let him sell cement, and so forth, but he just cannot get lumber. I would just like to have someone tell me how a veteran in that community is going to build a house, even if the lumber is piled up all over the town. Somebody in Washington tells him he thinks it ought to be sent somewhere else to build a theater or something of that kind, I suppose.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman has referred to lumber for farm buildings and repairs to farm buildings. I think it may be admitted here in debate that unless we amend this bill before us on page 11, lines 15 and 24, to provide for repairs and construction of essential farm buildings, that the Administrator can freeze out of operation such construction. So when the time comes and that amendment is offered by me, I hope the gentleman will support it so that the farmers will have the opportunity to purchase this material.

Mr. MURRAY of Wisconsin. I thank the gentleman. I will support his amendment. I would like to support an amendment that would let a man furnish lumber to the citizens of the community. I would like to ask the gentleman from Michigan [Mr. CRAWFORD], the member of the committee, if he knows of any legislation that has been passed that the OPA can tell a man that he cannot be in the lumber business because he happens to have an interest in a wholesale lumber institution.

Mr. CRAWFORD. I sincerely believe that under the Stabilization Act and the War Powers Act and the OPA Act, all of which are still working, that OPA has authority to prevent this man to which the gentleman refers from purchasing lumber from the company in which he is interested, and processing that lumber and putting it in the market in that community. I think they have the power to do it.

Mr. MURRAY of Wisconsin. Regardless of the needs of the people in the community?

Mr. CRAWFORD. Yes.

Mr. MURRAY of Wisconsin. We better be getting the Government back to the people.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from California.

Mr. HINSHAW. I cannot make this as a personal statement, but the gentleman from New York [Mr. TABER], told me earlier this afternoon that there still remains in effect what is known as MPR 26 which was promulgated for the purpose of channeling lumber into the heavy lumber use of the Navy and the

Army, and that for 6 months since VJ-day that has still been in effect, and consequently the production of lumber for use in building houses is practically at a standstill. For goodness sake, if they want to build houses, why do they not lift MPR 26 and have it removed?

Mr. MURRAY of Wisconsin. I thank the gentleman. I would like to see some lumber channeled to the rural areas for the use of veterans, would-be home builders, and farmers.

Mr. CRAWFORD. Mr. Chairman, if the gentleman will yield further on that point, if, under MPR 26 they place a ceiling, we will say, of \$75 per 1,000 board feet, of the type referred to by the gentleman from Ohio [Mr. BROWN] and then set a price of \$40 per 1,000 board feet on flooring made out of that lumber which cost \$75 per 1,000 board feet, you can see what it does in preventing the production of flooring.

Mr. MURRAY. This situation is not surprising. Old cars even will soon be selling for more than new ones.

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. BARRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it amuses me to see Members from the Farm Belt get up here in succession and talk about subsidies, as though they were something new in the American form of government. I remember in the years before the war when farm prices were low, and time and time again the House voted parity payments. If they are not a subsidy I do not know what a subsidy is. I also remember voting for soil conservation and other incentive payments.

The problem that faces the veteran today is just as serious as the problem that faced the farmers 4, 5, 6, and 7 years ago. There is much talk about the OPA. The records reveal that the average farm-commodity price was about 85 percent of parity before we got into this war. Since that time their production has increased from 25 to 35 percent, by the hard work of the farmers and in spite of the shortage of labor. Farm prices have increased from about 85 percent of parity to 117 or 118 percent of parity, a figure which represents approximately a 50 percent increase. That was under the OPA.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. They held our production down. They would not let us produce.

Mr. BARRY. With the great shortage of labor we had during the war, I should like to know how any production was held down. It just does not make sense.

Maybe this is not a bill to cure this problem, but I tell you here today, and you will find it is true, that unless we subsidize the veterans somehow, whether in this way of payments to builders, or giving the veterans a down payment—we are going to subsidize the veterans today or tomorrow or a year from now or the veterans coming back will not have homes.

When you recognize what is going on all over the world, the left wing,

Socialist, communistic swing in Europe and Asia and in countries like England and France, it gives us something to think about, even when you watch the Gallup poll in this country, which reveals that Henry Wallace is runner-up to Truman and that Harold Stassen is runner-up to Dewey, you find there is a distinct left-wing swing in this Nation. Do not kid yourselves. If we have millions of veterans piled up with their in-laws, their friends, their relatives, breaking down their morale, we are going to have a very definitely increased left-wing trend in this country very shortly. This is not a light or simple problem. I say again this bill may not be the cure-all bill for it, but we are going to face that problem and soon in another bill if we do not pass this one.

In my part of the country, and I know it prevails in Chicago, Philadelphia, Boston, and Los Angeles, 90 percent of the veterans cannot pay \$8,000, \$9,000, or \$10,000 for a home. If we eliminate the OPA certainly that will not lower these prices. Increased production will not lower these prices for at least 3 or 4 years. We cannot stand by and see millions of veterans piled up with in-laws and other people during that period.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Does the gentleman know that the payment of subsidies in the European countries has been one of the greatest forces to produce communism?

Mr. BARRY. I know that subsidies are in the direction of socialism—I do not know about communism—but we have been doing that through the emergency. Before the war the farmers have received subsidies, and the gentleman has voted for them, and they will receive subsidies in the future if their prices fall.

Mr. SMITH of Ohio. Let me explain this to the gentleman. Subsidies are created by Government printing-press money. There is your trouble.

Mr. BARRY. I refuse to yield further. I understand the gentleman's theory on that score. Subsidies are not desirable but there are things that are less desirable. I do not want to see a march on Washington of millions of veterans and their wives and children and mothers demanding shelter. They have been away 3 or 4 years while everybody in this country with the exception of the white-collar class made money—the manufacturer, the farmer, organized labor, all made money. If we produce these houses at a high price, the veterans will not be able to buy them. They will be bought by organized labor's workers, or people who have saved money while they fought, such as manufacturers or people in business. Under the OPA in the last few years there have been fewer business failures in these United States than ever before in its history. Those are the figures of Dun and Bradstreet and not of the OPA.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, it is about 650 years ago that the old English poet, Geoffrey Chaucer, said:

Thou shalt make castles then in Spain, and dream of joy all but in vain.

Now you can make an air castle in Spain out of a daydream but you cannot build a house for a veteran out of anything quite so tenuous and quite so flimsy. It requires materials. Let us consult then a high administrative official of Government and see what the score is. Let us rely, not upon a newspaper clipping, not upon hearsay, but upon the man who is charged with the responsibility at this moment of providing for materials. His name is J. D. Small and he is the Administrator of the CPA. The letters CPA do not stand for certified public accountant. They stand for the Civilian Production Administration.

On the 6th day of February 1946, Mr. Small appeared before the Subcommittee on Deficiencies of the Committee on Appropriations. I read to you from his testimony recorded on page 23 of the hearings:

The bottleneck today on construction is basic construction material, such as cast-iron pipe, clay products of all kinds, clay sewer pipe, and things of that kind.

Who said that? Mr. J. D. Small, who is invested with the authority to carry on where the War Production Board left off and he exercises the power to allocate materials today.

On page 28, to continue with Mr. Small, he said:

Well, to use a typical example, take cast-iron soil pipe. As I said here today earlier, before the war there were 52 foundries producing approximately 50,000 tons a month. That dropped to 28 foundries making 12,000 tons a month. We are desperately short of soil pipe. If we had 50,000 tons a month, we could cover the present program. Out of 52 foundries, only 28 are operating. One of the reasons is lack of manpower; one of the reasons for that is low wages; and one of the reasons for that is they cannot afford to pay more. I went to the OPA and told them we had to have an increase on cast-iron soil pipe. After some delay, they gave one of \$3 a ton.

Then, on page 29, the gentleman from Massachusetts [Mr. WIGGLESWORTH] asked this question:

Have you had success in achieving a reasonable increase in the price ceilings of building materials to date?

Mr. SMALL. I would say, Congressman, that we have had some success in it, but it has been a pretty tough struggle to get the increases through, and they have been pretty meager.

He is the man who allocates housing materials today. He is the man who has been charged by the President of the United States with the responsibility to allocate building materials. So do not rely upon newspaper stories and clippings. Rely upon the man appointed by President Truman, who says it is tough

to get even meager results; that if he could get results these materials that constitute, in his language, the bottleneck of the building industry, would begin to flow. You are not going to build houses for veterans of the stuff out of which air castles in Spain are built. You will build them out of gypsum, plaster, lime, cement, lumber, and all the rest of the things that enter into that picture.

Now, it is said there ought to be subsidies. Let me answer the gentleman from New York [Mr. BARRY] and particularly the question he addressed to the gentleman from Kansas [Mr. CARLSON] a moment ago. He says, "In that spread, how are you going to get houses at a moderate price unless you subsidize?" Let us look at it. It is only a year ago that the particular agency that operates the basic act to which this is an amendment, made a survey of housing in the country. Do you know what they found on all housing? They found that the proportion of materials that goes into housing in the average was approximately 45.7 percent of total cost. Multiply it out on a \$6,000 house and what is it? It is around \$2,700 plus. Suppose you give material manufacturers a 10-percent increase in the basic material in a house where the building material is only 46 percent, and what is the increase? Roughly, about \$150. You go along with this subsidy proposal, and you fly like a blunderbuss over the whole building industry of the country, and you will not come out under \$200 per house or perhaps \$300 per house. Yet here is Mr. J. B. Small, Administrator of Civilian Production, who allocates and dispenses priorities, who is the administrator of the HHH orders, or whatever they are, who says he has been trying to get an increase in prices in order to get a flow of the basic materials that build housing, and "the results have been very meager."

Why talk about a housing bill unless there is a provision for production of material, first of all? You will not find it in this bill, except one and one-half lines in the declaratory statement in section 1. Look at the power that is given to the Director of Stabilization in this bill. It gives him the power to allocate materials that are already short, but not to add to the supply of material. There should have been written here the power to allocate materials for the production of machinery with which to produce goods and commodities and materials that go into housing.

I am just as much interested in housing for veterans as anybody, but you are not going to build them out of dreams. And let us not kid them. Look at some of the serious implications here. If you do it too fast, if you try to get too much of this program of 2,700,000 units in 2 years, what will happen? Do you want to foist upon an ex-serviceman a house built with green lumber and have him put on it a mortgage of five or six or seven thousand dollars, only to find that 2 years later he will be able to put a brawny fist right through the side or the corner? If you try to expedite in that fashion, look out. I would rather follow

the people who have had skill and talent in the business of producing building materials, and give the veteran a show for the little equity he will have in one of these houses.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes; I yield.

Mr. PATMAN. May I invite the gentleman's attention to the fact that in section 705 of this bill facilities for construction and building may be allocated.

Mr. DIRKSEN. I am sorry to say I do not share with my friend from Texas the view as he interprets that word "facilities" in connection with the rest of the context, that it will have very much to do with the business of producing material out of which these houses are expected to be built.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BARRY. Does the gentleman contend that under a policy of laissez faire the veteran will get any houses in the next couple of years that they can buy?

Mr. DIRKSEN. Definitely not; but I want to help.

Mr. BARRY. How will you help?

Mr. DIRKSEN. First of all, go back to the original source of our difficulty, as expressed, not by a Member of this House by the name of DIRKSEN but by a man who is a successful businessman, who was selected by the President of the United States to break the bottleneck on material, in the hope that out of it there would be an acceleration of industry that would build houses. Now he goes right back to OPA in connection with soil pipe and other basic materials and he said that if they had given the proper increase of \$10 a ton that would have made a difference of \$5 or \$6 in a single house, but they would never have to worry about any rainstorms.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BARRY. Does the gentleman advocate then that this whole situation is going to be cured by merely raising the price of building materials?

Mr. DIRKSEN. No; but I think this bill ought to have a lot more consideration than has been given it. We have not heard enough from people who know something about it.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BARRY. Mr. Chairman, will the gentleman yield further?

Mr. DIRKSEN. I yield.

Mr. BARRY. I am trying to find out—and I have great esteem for the gentleman from Illinois—I am trying to find out if he does not like this program, what he would advocate in place of it other than raising the price of materials?

Mr. DIRKSEN. Let me answer that by asking the gentleman this question: How many people who are skilled in the building industry who must do this work came before your committee and spelled out some of the practical difficulties that are involved? How many?

Mr. BARRY. That is not an answer to my question.

Mr. DIRKSEN. It certainly is. You ought to hear from somebody who has had some experience with it.

Mr. BARRY. We had some. I would not object to a further hearing. I think this whole problem has not been given adequate consideration; but that is not an answer to my question. Suppose we had further hearings, what would the gentleman suggest?

Mr. DIRKSEN. I would suggest first that you go back to these people of skill and experience in the industry, get them around a table and say, "Look, here is what we are going to try to do. How can we best do it? What are the difficulties involved, what material is available? What do you think is necessary by way of modification of OPA or other restrictive regulations which are now in effect?"

I will ask the gentleman whether he called the expeditor of the program, this Mr. J. D. Small, the Administrator, before the committee?

Mr. BARRY. Yes.

Mr. DIRKSEN. I have not examined the hearings, but I think those charged with responsibility should be consulted.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. TABER. Does the gentleman realize that on September 1 last, when the war ended, OPA had in effect MPR-26, which prevented the production of lumber by manufacturers and required a certain percentage of deck lumber? And that that order has not yet been changed?

Mr. DIRKSEN. That is right.

Mr. TABER. It is holding down the production of lumber; and that in itself keeps us from having housing.

Mr. DIRKSEN. Further in this connection I call the gentleman's attention to this language on page 6 of the bill:

Before issuing any regulation or order under this section, the Director shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order.

Why not make it compulsory? Why make it "so far as practicable?"

Why did not the committee consult with those who have been building houses in this country for several generations? Is there any reason for leaving them out? Is there any reason for suspicion or distrust of them?

Mr. BUFFET. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BUFFETT. I have a letter here from William H. Shaw, Chief of the Construction Statistics Section of the Department of Commerce, about this question, in which he states:

You will note that substantial increases in the present rate of production are necessary to meet the estimated requirements of

1946. We believe that these increases are possible. However, to assure them, it will probably be necessary to solve the numerous labor and pricing problems that are now perplexing the various industries.

Then he said it would appear that capacity will not be a serious limiting factor. In other words, the capacity is there in the industry now if they are given a chance to operate.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Very briefly.

Miss SUMNER of Illinois. I wish to state to the gentleman that Mr. Small did appear before our committee and the gentleman will find his testimony on page 365 of the hearings. He will see there his statement on the need for a price incentive and that the OPA has prevented the production of lumber by their policies.

Mr. DIRKSEN. In the short time remaining to me I want to call the Members' attention to a statement appearing in the Prentice-Hall's press release recently.

The very first thing one encounters on a house is the doorknob. Now, let us take the case of the Gate-Way Manufacturing Co., of Los Angeles, who thought they would start making doorknobs. So they took it up with OPA on May 21, 1945. They waited a month. Finally OPA replied, "Unable to determine jurisdiction." Three weeks later OPA stated, "Send photos of doorknobs."

Early in September Gate-Way wires Washington:

Production stopped. Workers laid off.

Washington wires back:

Expect decision next week.

September 20: Gate-Way wires Washington:

Can we do anything to expedite?

Septem 27: Los Angeles regional office urges Gate-Way to keep after Washington.

October 1: Los Angeles regional office itself wires Washington.

October 3: Washington's answer to Los Angeles regional office:

Gate-Way can sell its doorknobs at price just equal to cost of manufacture.

October 4: Gate-Way appeals Washington's decision.

October 12: Washington denies Gate-Way's appeal.

October 13: Gate-Way decides not to make doorknobs.

That was 6 months later.

If that is the case with doorknobs, what will it be with other things that are produced in connection with home construction and that are indispensable to home building?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman may have one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. My distinguished friend from Texas referred to section 705 of this bill, and read it, which states that the veterans under this section will have allocated to them certain scarce materials. I would like to call attention to the fact that power is already in the Executive order of the President based on the War Powers Act. The only difference is the War Powers Act will expire on June 30. You will find the same regulations and the same power in Executive order as you will find in this bill.

Mr. DIRKSEN. Let me read the language which says:

or of any facilities suitable for the construction of housing.

It does not say, "suitable for the manufacture of machinery with which to make the products that go into a house."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Small testified and 50 pages of his testimony appear in the hearings. Every witness was heard who wanted to be heard and we heard experienced people.

Mr. DIRKSEN. I recommend Mr. Small's testimony to before the Appropriations Committee to every Member of this House because it goes to the very heart of the problem now before us. In conclusion, let me say that as a veteran of World War I, I am only too anxious that we develop a workable, feasible housing program that will actually produce serviceable worth-while houses and not air castles in Spain.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hate to take issue with my genial, able friend from Illinois on this matter, but I cannot agree with him that this bill has been hastily considered, that evidence has not been taken. I think the committee that started to work before Christmas and worked up until a week or two ago heard a great number of witnesses, a pretty well-balanced number of witnesses on all sides.

I cannot agree either with my friend from Illinois or the others that we can simplify this question by not doing anything about it and expect the returning 11,000,000 veterans to automatically find homes under a laissez-faire policy.

Mr. Chairman, everything that has been said on the floor in condemnation of this bill I believe with study of the bill could be resolved in the minds of the Members.

RECOGNIZE PRICE BOTTLENECKS

We recognize especially that there are bottlenecks caused by prices; we also recognize that there are bottlenecks in the construction of veterans' houses caused by lack of present materials, and we also recognize that there is going to be a scarcity of veterans housing due to great industries expanding and remodeling from the small and scarce available

supply of materials that will go into unneeded or not so urgent construction.

The best illustration I can use in answer to the statement of the gentleman from Illinois [Mr. DIRKSEN], is the following: When we found everything all balled up in the synthetic-rubber program, with everybody all over the country having a piece of it to administer, we finally called in a very distinguished American, Bill Jeffers, and we said to him:

"You are going to be rubber expediter. We are going to give you the power to get rid of these bottlenecks. We are going to give you the overriding power over every other agency to get it done because it is the No. 1 job of the war."

They gave that job to the rubber expediter, and you had great volumes of synthetic rubber in time to make a material contribution toward the winning of the war.

POWER SIMILAR TO JEFFERS

The same thing and the same philosophy is behind the appointment of a production expediter of veterans housing as is being done here, a man who can override these price bottlenecks that you so ably and aptly described. To get production, where a few dollars is hindering the adequate production of materials because of price. But price alone is not going to give us an ample supply of materials to build 2,700,000 houses in the next 2 years. I, for one, want to build them. I want to build them not only to take care of the returning veterans, and I feel they are entitled to have a roof over their heads, but I want to help build up this Nation's industry so that these returning veterans can earn a dollar by their own efforts in home building. I hate to see it urged to throttle this program of homes and jobs while we pay veterans \$20 per week unemployment compensation because they cannot find useful jobs quickly in private industry.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I do not believe the gentleman's analogy of synthetic rubber holds at all. There we were dealing with an industry that did not exist and had to be built from the ground up to produce rubber at finally about \$1 a pound when you amortize all of the facilities. Here we are dealing with the building industry, one that is Nation-wide, that has been established since the beginning of the Republic, and it can do the job if we only give it a little encouragement.

REPEAL OF ORDER L-41

Mr. MONRONEY. The gentleman is saying, then, that we should step out of this field and let industry undertake it without priorities or help. I want to say that that siren song was heard in October when L-41 was taken off the books.

Mr. DIRKSEN. In the first place, I want to see some kind of a program, but more important than that is this: Is Mr. Wyatt going to be the man to actually build the houses? You are going to have to gather up the masons, the carpenters, and the bricklayers who work for contractors throughout the country, unless

you want to project the Government itself into the physical job of actually building the houses, and that is not even contemplated in this bill.

Mr. MONRONEY. That is exactly true, and unless we have an expediter to give adequate cost relief in an endeavor to break the bottlenecks in both price and supply and help build homes by private enterprise, the next demand on the floor of this House will make it hard for the Members to resist. Members will say that we have not built the housing for the veterans under our system of free enterprise that we here today defend, and so you will have men urging on the veterans and throughout this country a twenty- or thirty-billion-dollar public housing program, and that is exactly what I am trying to avoid.

I say, if we do not approach this thing from a common-sense angle, if we do not break these bottlenecks, if we do not get someone whose one job is to get houses, just as Mr. Jeffers' job was to get an adequate supply of synthetic rubber, we are not going to get these houses built. There are 100 men in OPA each of whom has a different piece in this housing and material problem that they are trying to handle.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MONRONEY. Furthermore, when we break the material bottleneck system and the price bottlenecks we have another bottleneck, and that is as to supply. I do not think you are going to get the supply if you break all the price bottlenecks unless you go out and bring into production new material—unless you bring into production the high-cost producers who cannot possibly operate under a normal ceiling.

HELP GET EXTRA PRODUCTION

The very case the gentleman mentioned of soil pipe is a very good example. Twenty-five manufacturers, I believe the figure was, were able to exist and make good on profits production, but the other 25, the high-cost producers, were frozen out of the soil-pipe business. So the idea is to bring in, just as we brought in during the war, a few of the high-cost producers who may have to ship their materials a little farther than the low-cost producers.

We may have another economic obstacle to overcome, and it may be necessary to put in a little subsidy payment to get that extra production we must have that will mean the difference between success and failure of our housing program. It may also mean that we will have to build, if you please, a few drainage pipes out of aluminum. Maybe we will have to go into many, many new materials in order to supply the needs for materials that have to be put in these homes in order to get the goal that we seek.

GET NEW MATERIALS

These men have never built, perhaps, aluminum parts for plumbing, or something else, and we are going to have to pay them a little bit extra on the first 100,000 or 200,000 units of their production; but once we get them tuned up and they have the know-how of making these, then we will have added additional production and they can take hold and give us the extra and added supply that we need then at competitive normal costs.

Bear in mind that that is going to cost money. It is going to cost \$600,000,000 to do that for a 2,700,000-home volume. Yet your Appropriations Committee—and I think they acted wisely—when they get the bill back from the Senate will have appropriated almost \$400,000,000—\$391,000,000 to be exact—for the relocation of temporary housing to take care of only 200,000 veterans. We have a subsidy there of almost \$400,000,000 that is out the window in 4 years, completely subsidized by the Government to take care of 200,000 veteran families. I do not think we are going very far afield when we argue for \$600,000,000 in production subsidies to bring in a vast new supply of material that will help us reach this goal to give these veterans houses.

We can say we do not like this bill because of this reason or that reason or another reason, but it is the job of the House, if we do not like the bill that is before us, to amend it.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. By the gentleman's own figures, 2,700,000 units at \$600,000,000 is over \$200 a house, yet here are experts in the building game and in the manufacturing and materials business who have pointed out that for \$150 or even less you can get a flow of the critical materials that are stopping the housing program.

STILL HAVE SCARCE MATERIALS

Mr. MONRONEY. I disagree completely with the gentleman. You get a flow of the critical existing materials, perhaps, a few of which are frozen off the market, but you are not going to bring in the answer to this volume production unless you get new producers into the business, unless you use new material, unless you can find and use different kinds of materials.

You do not have the lumber to build 2,700,000 houses, you do not have many of the necessary things. You may be making bathtubs out of aluminum and be using a lot of other stuff in these homes, and we will be helping to create some new industries that will help America.

I think we have to face this thing with a little bit of courage. I do not think it is going to be any excuse or justification to say to the veterans, "You cannot have a house to live in, and furthermore, you cannot even have a job to build your own houses, because we were not willing to give to anybody, we were not willing to trust an appointee of the President to

have the right to route priorities into veterans' housing, to have the right to break the material bottlenecks that are caused by bad pricing, if you please, or to break the bottleneck that exists because you cannot bring into new production the kind of supplies you need."

Mr. DIRKSEN. I do not think the implications of the gentleman's remarks are quite fair to those who are interested in the housing program and who are interested in a stabilizer, but we do say this: Why not tap the prime source of materials that has stood in the way of a housing program? Why not get a modification of these price ceilings which are to hand and do not require the building of new factories and the fabricating of aluminum bathtubs and all the rest of the things the gentleman mentions?

Mr. MONRONEY. If the gentleman will read the bill, if he will read the hearings, he will find that the thing he is asking for is one of the prime parts of this bill, but we do not think that is enough. We do not think you are going to get enough extra material by breaking the price bottleneck. You will get materials for about 300,000 homes if you break the price bottleneck, but you will not get materials for a 2,700,000 program over the next 2 years by just simply saying, "Well, OPA is to blame. If we get rid of OPA everything will be all right."

PRICES ALREADY UP 60 PERCENT

And do not fail to bear in mind that the veteran today has to pay 60 percent more for his home than he would have had to pay before the war. That is a 60-percent increase in his cost, according to the figures given to me by my own builders in Oklahoma City. Most of the Members on this side of the aisle that have talked about this program have only one answer in mind and that is "Let us put some more price onto the home the veteran is trying to buy."

Mr. VURSELL. Mr. Chairman, I hope this body will throw the Patman bill, theoretically, out the window and substitute in its stead H. R. 5579. If we do this we will be making considerable progress. The Members can then decide, after they have properly buried this iniquitous and ill-advised Patman bill, whether we can sufficiently amend the Wolcott bill so that it will help in fact to build more homes for veterans.

The Patman bill, as one could well expect, gives unthought-of powers with which a bureaucrat here in Washington can bludgeon and punish the people, control and further regiment them. It seeks to build up another great bureau furnishing everyone with a political job whom the Administrator might kindly bestow upon them. It seeks to cover up the maladministration of the past under the OPA which has prevented the production of lumber, brick, soil pipe, and every article that would go into the construction of a home, by piling another and bigger bureau on top of the one which has failed. It follows the New Deal policy of adding more legislation, more controls which would further confuse everyone connected with the production of houses.

I favor the Wolcott substitute H. R. 5579, because it does not provide for inflationary subsidies, and particularly because it would give the new Administrator the power to override the OPA in increasing the price of building material where it is necessary to get greater production. If this is done there would then be no argument for subsidies. This must be done before we can build the houses which are so badly needed for the veterans and before we can build other construction work which is necessary and must be provided for to take care of business expansion which is necessary to provide jobs for the veterans and others. If we channel too much building material into veterans' homes we may prevent the veteran from securing a job through which he could earn the money to make the payments on a home by preventing business expansion which has been planned by business organizations all over the Nation which would provide and house business organizations that will provide them with jobs.

Mr. Chairman, the administration rushes in again shouting, "We have a crisis." We have been in a crisis for 10 years because of the bungling of one bureau after another so this crisis is nothing new. This crisis is not new to the administration because whether or not it so intended, they planned it that way.

Mr. Chairman, they did not have the foresight apparently to stop the exportation of billions of feet of lumber to other countries which is now needed for homes for the veterans and for business expansion, for repairs and new buildings for the farmers who have been short of material for 4 years due to the war.

They planned it that way when they shipped this material away and are still continuing to ship it and when they allowed Chester Bowles of the OPA to put such restrictions and prices on the brick industry, the soil-pipe industry, at a figure so low that they practically shut down for the past 2 or 3 years most of the concerns manufacturing these articles.

They planned it that way when they helped to drive the smaller sawmill owners and operators out of business by the thousands throughout this country during the past 2 or 3 years and up to the very present by investigating them, regulating them, persecuting them, prosecuting them, and holding their price levels in so many instances, so low that they could not manufacture at a profit.

Now they discover a lawyer, Mr. Wilson Wyatt, a mayor of the city of Louisville, Ky., who has never had any experience in the building and contracting line, and with a hysterical crisis shout, come in here with a bill which is impractical, unworkable, and that will not produce houses. Granted, that Mr. Wyatt will do the best he can, yet, we must understand that houses cannot be built by thousands of words written into a legislative bill.

Our responsibility to all of the people of the Nation and to the veteran, in particular, is to attempt, if legislation will do it, to write an act that will encourage production, because production of lumber, plumbing material, brick, and build-

ing material generally, and greater production that will put a roof over the veteran's head, is the only thing that will make it possible to build houses, business buildings, and make it possible for the farmers to buy lumber which they so badly need on hundreds of thousands of farms throughout the Nation.

No one is more interested in taking care of the veterans than the Members of this Congress and certainly no one has the responsibility to the extent as do we Members.

This being the case, we must move with caution and with certainty in attempting to set up legislation to that end.

Mr. Chairman, yesterday I received a copy of a letter directed to President Truman from Chicago, Ill., which reads, in part, as follows:

After 3 days of thoughtful deliberation by 1,222 Illinois retail lumber and building material dealers assembled in annual convention at Chicago, having studied the causes of our inability to get building materials, we are fully convinced that the Office of Price Administration is more to blame than all other factors combined.

OPA, while attempting to control prices, actually creates shortages, causes inflationary prices, and stimulates black-market operations in lumber and building materials.

It is fruitless to try to reform OPA's philosophy or to get reasonable administration of the law, and, therefore, the only cure for the situation is complete and immediate elimination of OPA on building materials.

We recognize that for a time this might result in prices higher than present ceilings, but not higher than the prevalent black-market prices. It might create new and possibly distressing hazards for many of us, but we are willing to take that risk because it is the only possible way to bring us to a satisfactory market condition, with adequate supplies and reasonable prices. Signed by 1,222 Illinois lumber and building-material dealers.

Now, Mr. Chairman, this is a terrible indictment of the administration of OPA with regard to building material. Certainly it must speak the truth, because it comes from practical men who are as patriotic as any bureaucrat who ever graced a chair here in Washington; men who, in my judgment, are not seeking to make a few extra dollars with taking a chance on inflation, but who have been driven to an honest conclusion by the persecution and the arbitrary and maladministration policies of the OPA which has prevented production which we must have to house the veterans or anyone else.

Mr. GALLAGHER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I come from Minneapolis, a city that was made by lumber. We have many lumber dealers in the city of Minneapolis. They have met me and discussed their problems with me. After having discussed the problems, I asked, "Have you been making money?" Each one of them said, "Yes."

There is another question that I want to bring to the attention of the House. I have heard a great deal about subsidies. What is the difference between a subsidy and a tariff? Tariffs are paid by the consumers, and the only break a consumer gets, whether soldier or not, is by a subsidy.

I am in favor of quick building of homes for the soldier boys. It is an emergency and we need the housing. I am sorry we took 2 hours today to advertise a certain political party rather than to go on with this bill.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. ELLSWORTH. Mr. Chairman, I think it is about time someone gave some facts regarding the lumber situation.

Since I come from a district which is currently producing more lumber than any other congressional district in the country, I think I am probably the one to put out those facts.

I do congratulate the proponents of this bill on one point. The debate on this bill has inspired the OPA to hasten the effective date of the order which readjusts the prices on lumber. This order should have been in effect 6 months ago. That readjustment has been moved forward 6 days. It was previously announced that this readjustment would take place on March 6. Yesterday afternoon when I returned to my office I found that an order had been issued that it is to be effective March 1. So we have done a little expediting by means of 1 day's debate. Perhaps if we carried on another few days we could expedite a few more things of this kind.

Here is why it has taken so long for this pricing order to be issued. I refer to the readjustment from war-material prices to housing-material prices. It has taken 6 months. The procedure is something like this: The price executive in the Lumber Section in OPA, Mr. Peter Stone, is a competent man, a lumberman who knows the business from A to Z. It was obvious when the war ended that price emphasis must be placed on housing lumber. Mr. Stone goes out to the industry, talks to the advisory committees. They work out a readjustment of prices, not so much a readjustment as a shifting of emphasis on production. Mr. Stone then writes his report. It goes to some higher body in the OPA known in the industry as the OPA debating society. They apparently debate the matter for weeks. Then it comes back to Mr. Stone and is again discussed with the advisory committee. The recommendations of the debating society are found to be completely out of line with practical lumber production and the order has to be rewritten. And that circular plan of OPA operation has been going on for 6 months, Mr. Chairman.

The basis on which the actual pricing of lumber from sawmills is made by the OPA is this: If the prices listed by the OPA will enable 75 percent of the mills to break even or better those prices are adopted. The effect of that obviously is to reduce production by 25 percent, for the manufacturer who is in the unfortunate position of not being able to produce at the listed ceiling price is going to stop producing. The OPA policy in this regard has been eminently successful. In the year 1944 western Douglas fir lumber production was 8,000,000,000 board feet. In the year 1945 OPA policies had proven exactly right, if what they wanted was less lumber, for lumber production

dropped to 6,000,000,000 board feet, a reduction of exactly 25 percent. For the first 2 months of this year the reduction is 29 percent. So this year the policy is working out just a little better than they anticipated. Now we face an emergency because we lack lumber and other materials with which to build houses.

What we are doing with this bill is bringing on an Expediter by legislation who will have the job of telling the OPA what to do about lumber prices. I do not see why that should be necessary. It seems to me the OPA has had ample experience. It has competent men in the Lumber Pricing Section. I do not see why we need legislation for this purpose. The Expediter will not be able to get a single board-foot of lumber at below the cost of production; it just cannot be done, and it is not going to be done.

All this bill does is to set up another bureau. We are going back to the same old business of declaring an emergency and creating another office and setting up another agency to watch over us.

I have another complaint with reference to this very Expediter who is now on the job. Last week a man was here from Portland, Oreg., where there is an inflationary real-estate market. That man has plans made for the production of 3,000 homes in that city of some 350,000 to 400,000 population. The immediate construction of 3,000 homes would, I believe, completely end the inflationary market on homes.

This man came back here to get final approval of his program. He talked to a gentleman in the office of the Expediter whom we are now about to legalize; and last week, that construction program for 3,000 new homes was halted, it was stopped by the Expediter we are trying to legalize in this bill. Is that the sort of expediting we are expected to approve by passing this Patman bill?

Mr. CELLER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, this is a bill concerned with dwellings. It does not directly apply to business property or to land or real estate appurtenances used or to be used for commercial purposes. However, under section 701 to section 705, inclusive, the director has wide powers over all building materials used not only for private housing and dwellings but as well for buildings used for commercial purposes. He is given power to issue orders of priority and to allocate building materials of every nature and description and for all purposes.

I have a situation in Brooklyn where a time-honored firm operates an important department store covering practically a whole city block facing on a main thoroughfare of Brooklyn. This establishment, now well nigh 75 years old, is composed of three structures, a central building facing Fulton Street and two wings on two other streets. All three structures meld into a gigantic store. The old central building, except a small portion thereof on Fulton Street, has been entirely demolished and is in the process of being rebuilt. Architect's plans have been perfected and contracts for the re-

building have been let and reconstruction has been started.

I discussed with the gentleman from Texas [Mr. PATMAN], the author of the bill, this Brooklyn department store situation and queried whether this firm would be precluded or hampered in procuring a flow of materials for the completion of the reconstruction and reconversion of its business structure. He replied that under the circumstances he doubted any difficulty and felt sure that the Director in any request for allocation of materials for this reconstruction, considering the importance of the structure and its essentiality to the Brooklyn community, and, further, in view of the fact that contracts for construction have been made, the Director would consider the application in a favorable light and would give the applicant most equitable consideration.

It was my intention to offer an amendment to this bill to cover the situation; but I am loath to clutter this bill up with amendments when such explanation as I am making will suffice. Such explanation is in the nature of a congressional directive to the Director after he is appointed. It is a guide and a ruling for him. Otherwise a severe injustice would result. The people of Brooklyn are entitled to a speedy reconstruction of the building. The economy of Brooklyn is involved. Hundreds of jobs impend. Many thousands of Brooklynites are affected; hence my statement.

As is usual, the debates and statements made in the well of this House must be used in any interpretation of the statute, if there is any doubt, and in order to clear up any such doubt I make this statement.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. JOHNSON of California. Does the gentleman think that the mere statement of a Member in debate would be a directive if the language itself does not have that directive meaning?

Mr. CELLER. I think the language could be interpreted in the way I indicated, but supplementing my statement by the discussion I have had with the author of the bill in reference to this matter and the explanation which I read, should have additional weight when the director interprets that particular section, to wit, section 705.

Mr. JOHNSON of California. I want to help the gentleman, but I think the rule is that you can only use those arguments and statements in the event of ambiguous language.

Mr. CELLER. That is right.

Mr. JOHNSON of California. If the language does not cover what the gentleman wants, then the argument will not supply it.

Mr. CELLER. I am making assurance doubly sure. I agree with the gentleman except to say that there should not be any doubt as to the interpretation, but if there is any doubt existing in the mind of the director, I hope my explanation will clear up that doubt.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, had come to no resolution thereon.

COVERAGE OF CERTAIN DRUGS UNDER THE FEDERAL NARCOTIC LAWS

Mr. COOPER submitted the following conference report and statement on the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
D. A. REED,
ROY O. WOODRUFF,

Managers on the Part of the House.

WALTER F. GEORGE,
D. I. WALSH,
JOS. BAILEY,

ROBERT M. LA FOLLETTE, Jr.,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The purpose of the Senate amendment is to make it possible for millers to produce hemp fiber from the hemp plant without incurring liability for the tax which is imposed upon transfers of marihuana. Marihuana and hemp fiber are produced from the same plants. When the Congress passed the Marihuana Tax Act of 1937 for the purpose of regulating the use of marihuana as a narcotic, it was understood that the act would not interfere with the operations of millers engaged in producing hemp fiber. However, it has now developed that the millers may be liable for the payment of the transfer tax on marihuana by reason of the transfer to them of the hemp plants. The rate of the tax is very heavy, being \$1 per ounce in certain cases and \$100 per ounce in other cases, and would make it utterly impossible for the millers to continue operations if they were required to pay the tax.

Under present law the tax is imposed upon marihuana as the term is defined in the law. The term is defined to include all parts of the hemp plant except the mature stalk thereof. It appears that under the regular practice in the industry a small quantity of leaves still adhere to the stalks when they are transferred

to millers for the production of fiber. It is because of these leaves, which are included within the definition of marihuana, that the liability for the transfer tax might be incurred.

The Senate amendment to this bill provides for the registration of millers producing fiber from the hemp plant and provides that transfers of marihuana may be made to millers so registered, without payment of the transfer tax. A number of special requirements relating to the registration of millers for this purpose are contained in the amendment and are set out in the text of the amendment below.

The text of the amendment is as follows:

"AMENDMENTS RELATING TO MARIHUANA

"SEC. 10. (a) Exemption for certain transfers to millers: Section 2591 of the Internal Revenue Code is amended by adding at the end thereof a new subsection (e) to read as follows:

"(e) Exemption for certain transfers to millers: Nothing in this section shall apply to a transfer of the plant *Cannabis sativa* L. or any parts thereof from any person registered under section 3231 to a person who is also registered under section 3231 as a taxpayer required to pay the tax imposed by section 3230 (a) (6)."

"(b) Special tax on millers: Section 3230 of the Internal Revenue Code is hereby amended by adding at the end of subsection (a) a new subdivision (6) to read as follows:

"(6) Millers: Any person who at a mill manufactures or produces from the plant *Cannabis sativa* L. any fiber or fiber products, \$1 per year or fraction thereof during which he engages in such activities."

"(c) Registration of millers: Section 3231 of the Internal Revenue Code is hereby amended by inserting at the beginning thereof, before the word 'any' the following: '(a) In general:'; and by adding at the end of such section a new subsection to read as follows:

"(b) Special requirements for millers: The Secretary shall not permit the registration of any person under this section as a person required to pay the tax imposed by section 3230 (a) (6), unless in the opinion of the Secretary such person (or if a corporation, each officer thereof) is a person of good moral character and unless in the opinion of the Secretary such person is a person of suitable financial standing, intends to engage in good faith in the business of manufacturing or producing fiber or fiber products from the plant *Cannabis sativa* L. on a commercial basis, and is not seeking registration under this section for the purpose of facilitating the unlawful diversion of marihuana. Any person who is registered under this section and has paid the tax imposed by section 3230 (a) (6) shall afford agents of the Bureau of Narcotics ready access at all times to any part of the premises of the mill or other premises of such person and the right to inspect any and all books, papers, records, or documents connected with the activities of such person in dealing in, manufacturing, and processing *Cannabis sativa* L. and fiber or fiber products thereof, and the handling of marihuana. The Secretary may cancel or may refuse to renew, after notice and opportunity for hearing, the registration of any such person if he finds that such person has not complied or is not complying with the requirements of this subsection, or if he finds that grounds exist which would justify the refusal to permit the original registration of such person under this section."

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
D. A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

FEBRUARY 26, 1946.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. RAYBURN: Having been appointed to the Committee on Appropriations, I hereby tender my resignation as a member of the Committee on the Post Office and Post Roads, effective immediately.

With assurance of my highest esteem, I am,

Very sincerely yours,

J. VAUGHAN GARY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

COMMITTEE ON RULES

Mr. BATES of Kentucky. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

EXTENSION OF REMARKS

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. MARCANTONIO asked and was given permission to revise and extend the remarks he made earlier today.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. HOFFMAN (at the request of Mr. CRAWFORD) was given permission to revise and extend the remarks he made today and to include certain quotations.

Mr. STEFAN (at the request of Mr. CRAWFORD) was given permission to extend his remarks in the RECORD and include an address by the Commissioner from the Philippines, Mr. ROMULO.

Mr. SMITH of Ohio asked and was given permission to revise and extend the remarks he made today and include an editorial.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD on the subject of Michael J. Quill.

Mr. LAFOLLETTE asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague the gentlewoman from Connecticut [Mrs. LUCE].

Mr. CARLSON asked and was given permission to revise and extend the remarks he made today and include three letters.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two instances, and include excerpts.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an article on the city of Boston.

HOUR OF MEETING TOMORROW

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

SPECIAL ORDER GRANTED

Mr. LANE. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INVESTIGATION OF EXPENDITURES OF CERTAIN LOBBYING ORGANIZATIONS

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. SAVAGE] is recognized for 30 minutes.

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include two newspaper items; one from the Omaha World-Herald and the other from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. SAVAGE. Mr. Speaker, I wish today to call upon the Congress of the United States to institute an investigation of the expenditures and of the corrupt practices of certain lobbying organizations which are becoming a menace to democratic processes and a threat to our national well-being. I shall name three of these organizations and also several individuals. An investigation would surely add at least two other national associations to the list.

In recent months we have found that many of the same big business firms and individuals who sought for years to block the development of Grand Coulee Dam are now tied together in so-called reclamation associations—State and National—and in this new National Association of Electric Companies and in the United States Chamber of Commerce, and they are now out to block further development of our great national resources, and are seeking to get control of many of them.

Big money from power companies, railroads, certain banking interests, and other similar corporations is pouring into the coffers of the three lobbying organizations, and they are all combining to rob the common people of the benefits of our great wealth of natural resources.

They tried for years to block the development of Grand Coulee Dam and Bonneville Dam in my State; they fought George Norris' efforts to get the TVA started and now they are centering their attention against the Columbia Valley Authority legislation.

A small group of men, led by a former Insul company official, is spearheading the organization, financing the operation of these three high-sounding organizations; the Reclamation Association, the National Association of Electric Cos., and the natural resources committee of the United States Chamber of Commerce. They are tied together as tightly

as two peas in a pod in their plan to rook the American people.

They do not want the Government to build dams, but if in spite of their opposition the Government has built a dam, they are determined that they will buy the power at the bus bar. They are determined to repeat their Muscle Shoals steal. At Muscle Shoals, the Government built a dam during World War I, and after the war these power companies bought power at the bus bar, paying the Government less than 2 mills per kilowatt-hour—one-fifth of a cent. And then they turned around and sold that power to the people of that area, and how much did they charge? They forced the people to pay 10 cents a kilowatt-hour for that power right next to Wilson Dam, 50 times as much as it cost them.

That is the kind of private enterprise these lobbying organizations are trying to perpetuate. They have a stranglehold on a good thing—on one of the necessities of life—electricity. They have a monopoly on it and they are determined to ride that monopoly to the limit for all it is worth.

Uncle George Norris freed the people of Tennessee Valley of their stranglehold—he helped those southerners break out of the clutches of the overlords of monopoly.

But how about our people out in the Northwest? Guided by the Electric Bond & Share Co. and other remote holding companies in the East, the power companies have and are trying to secure a stranglehold on the greatest resource we have out there—our Columbia River power.

No; they did not want the Government to build those dams and other facilities—the dams which produced 40 percent of the aluminum for all of the planes which were so indispensable to the winning of this war—the dams which produced the atomic bombs and built a substantial part of our ships. These outfits which are fighting our CVA now tried every angle and device to block our little group of Washington State people who had the vision to see the possibilities of damming the mighty Columbia. They fought us out there and they fought us back here in the Halls of Congress.

But after the dams were built they proceeded to lay plans to place them in their clutches, as far as was in their power to do. They have tried to block the REA, they have tried to block our public-power districts, and recently they have tried unsuccessfully to influence one of the fine committees of this House of Representatives.

They also tried, through referendum 81 of the United States Chamber of Commerce, to get support for legislation placing Columbia River power into their hands at the bus bar. If that provision had gone into the rivers and harbors bill, we would have been deeding over all of our great power streams—lock, stock, and barrel—to a group of slick eastern and midwestern promoters. They are trying every possible underhanded device to get their hands on those dams and thus rob the people as they did at Muscle Shoals, and they will do it unless this Congress and our people are forewarned.

The transit strike in New York is over, but the danger of a complete break-down in the future still exists. Just so long as we have Communists and Red lovers playing Stalin's game, just so long will we have chaos in this country.

The man who threatened the New York transit strike is the type of Communist labor leader who would stoop to anything to gain his ends. If there ever was a union that should be cleansed at the top

by the rank and file at the bottom, it is the one headed by Michael J. Quill, the Red Russian lover. The complete record of Michael J. Quill, taken from the files of the Dies committee is as follows:

Michael J. Quill

Affiliation	Activity	Source
American Committee for Protection of Foreign Born	Panel speaker at conference	Program, fifth national conference, Atlantic City, N. J., Mar. 29-30, 1941.
American League for Peace and Democracy	Speaker at aid China rally	Daily Worker, Feb. 4, 1938, p. 2.
American Peace Mobilization	Member, national council	Pamphlet, What is APM?, p. 12; leaflet, To the Delegates to the Emergency Peace Mobilization; Daily Worker, Sept. 3, 1940, p. 4, columns 7-8.
American Peace Mobilization, New York Council	Speaker, Armistice Day peace rally, Mecca Temple, Nov. 11, 1940.	Leaflet, What, When, Where?
Anti-Injunction Committee, United Retail and Wholesale Employees of America	Sponsor	Letterhead, dated July 11, 1938.
Bronx Victory Labor Committee	Speaker	Daily Worker, Oct. 13, 1942, p. 3.
Committee for Boycott Against Japanese Aggression	Signer of appeal	Daily Worker, Feb. 25, 1938, p. 4.
Committee for Defense of Public Education, American Federation of Teachers, locals 5, 537.	Sponsor; will testify at hearing	Leaflet, Come to a Citizens' Open Hearing, Manhattan Center, New York City, Dec. 18, 1940.
Conference on Constitutional Liberties in America	Sponsor	Program leaflet, Call to a Conference on Constitutional Liberties in America, June 7, 1940, p. 4.
Consumers National Federation	do	Pamphlet, The People vs. H. C. L., Dec. 11-12, 1937, p. 3.
Consumers Union	Member, labor advisory committee	Undated circular.
Emergency Peace Mobilization	Speaker, Chicago peace rally, conference	Daily Worker, Aug. 31, 1940, p. 4, columns 1-8.
National Council of American-Soviet Friendship	Sponsor, Congress of American-Soviet Friendship	Daily Worker, Oct. 30, 1943, p. 5.
Do	Member, executive committee	Letterhead, dated Nov. 6, 1940.
Newark Peace Action Committee, Transport Workers Union, antiwar rally	Speaker	Daily Worker, Oct. 4, 1940, p. 4.
Progressive Women's Council	do	Daily Worker, Apr. 27, 1938, p. 8.
Public hearing, "Labor Testifies against Hague"	do	Daily Worker, Feb. 9, 1938, p. 8.
Seventh annual convention of United Electrical, Radio and Machine Workers of America, CIO.	do	Daily Worker, Sept. 4, 1940, p. 1.
Spanish Refugee Appeal	Speaker, Madison Square Garden rally, Sept. 24, 1945.	Daily Worker, Sept. 25, 1945, pp. 1, 2.
Trade Union Women's Committee for Peace; Chicago Emergency Peace Mobilization.	Speaker	Daily Worker, Sept. 12, 1940, p. 3.
Transport Workers Union	President; photo; biography	Daily Worker, June 26, 1937, p. 3.
Do	President, charged with assault	Daily Worker, Feb. 10, 1936, p. 3.
United Office and Professional Workers Union, CIO	Delegate (president, Transport Workers Union)	Sunday Worker, Sept. 1, 1940, p. 5.
Washington Committee for Democratic Action	Member (154 West 64th St., New York, N. Y.)	Dies committee file.
Transport Workers Union	President; telegraphed protest of the committee's investigation of radio commentators' scripts, Oct. 15, 1945.	Do.
American Federation of Teachers, Local 5	Speaker at conference	Daily Worker, Mar. 31, 1938, p. 3.
American Labor Party	Sponsor, mass rally	Handbill, Protest Brutal Nazi Persecutions!
American Peace Mobilization	Signer of call	Call to American People's Meeting, p. 4, New York City, Apr. 5-6, 1941.
American Peace Mobilization, Brooklyn division	Speaker, mass rally, Brooklyn Academy of Music, Feb. 6, 1941.	Pamphlet, Defend Trade Union Rights, back cover.
American Youth Congress (participating sponsors: Washington Committee for Democratic Action; Washington Negro Youth Federation; Washington Youth Council; Washington Council, National Negro Congress; Washington Peace Mobilization).	Speaker, Town Meeting of Youth, Turner's Arena, Washington, D. C., Feb. 7, 1941	Leaflet, Hear Ye! Open hearing on H. R. 1776.
Champion	Contributor	Champion, December 1937, p. 8.
Consumer-Farmer Milk Cooperative	Sponsor	Why a Milk Cooperative? back cover.
Consumers Union	Speaker, second annual meeting, May 16, 1938.	Consumers Union reports, June 1938, p. 16.
Daily Worker	Contributor (reprint of letter to World-Telegram regarding Stolberg).	Daily Worker, Jan. 28, 1938, p. 5.
Do	Interviewed on St. Patrick's Day	Daily Worker, Mar. 17, 1938, p. 5.
Emergency Peace Mobilization, organization meeting, Chicago	Member, national council	Daily Worker, Sept. 3, 1940, p. 4.
Emergency Peace Mobilization	Speaker, rally for peace at Coney Island, Aug. 14, 1940.	Daily Worker, Aug. 13, 1940, p. 4, column 1.
Gerson supporters	Signer of letter	Daily Worker, Feb. 10, 1938, p. 1.
Greater New York Committee for Employment	Speaker	Daily Worker, May 18, 1938, p. 4.
International Labor Defense	Signer of petition to Japanese Ambassador	Daily Worker, Mar. 19, 1938, p. 2.
International Labor Defense, Hudson County Committee for Labor Defense and Civil Rights.	Speaker	Daily Worker, May 7, 1938, p. 2.
Joint Anti-Fascist Refugee Committee	Trade union sponsor	Pamphlet, I Know You Are My Brother, p. 11.
National Council of American-Soviet Friendship, Inc.	Signer of open letter to the American people	New York Times, May 18, 1943, p. 17.
Do	Signer of open letter to mayor of Stalingrad	Soviet Russia Today, June 1943, p. 21.
National Federation for Constitutional Liberties	Executive committee	Letterhead, July 3, 1942.
Do	Signer of message to the House of Representatives opposing renewal of the Dies committee.	Leaflet, attached to undated letterhead.
National unity convention called by Jewish People's Committee	Endorser	Daily Worker, Mar. 1, 1938, p. 2.
National Unity Convention of Jewish People's Committee Against Fascism and Anti-Semitism.	Speaker	Daily Worker, Mar. 11, 1938, p. 2.
New York Tom Mooney Committee	Sponsor	Undated letterhead.
Petition to the Japanese Government protesting the arrests of Japanese citizens.	Signer	Equal Justice, Mar. 1938, p. 1.
Progressive Committee to Rebuild American Labor Party	Candidate for delegate, eighth assembly district, Bronx.	Daily Worker, Sept. 17, 1940, p. 4.
Do	Member, executive committee	Leaflet.
Public Use of Arts Committee	Sponsor	Undated letterhead.
Reichstag Fire Trial Anniversary Committee	Signer of declaration honoring Dimitrov	New York Times, Dec. 22, 1943, p. 40.
Schappes Defense Committee	Sponsor	Pamphlet, In the Case of Morris U. Schappes, p. 9.
School for Democracy	Lecturer	New Masses, Jan. 20, 1942, p. 25.
Do	Guest lecturer	Catalog and program, January 1942.
Town Hall, Transport Workers Union, New York Typographical Union, Local 5, American Federation of Teachers, Trade Union Women's Committee for Peace.	Speaker	Daily Worker, Sept. 18, 1940, p. 5.
Trade Union Committee on Industrial Espionage	Speaker at conference	Daily Worker, Mar. 30, 1938, p. 5.
Transport Workers Union, American Peace Mobilization Club, No. 1	Speaker, Washington	Daily Worker, Sept. 11, 1940, p. 1.
Transport Workers Union delegation to State CIO convention, Rochester	Leader of delegation	Daily Worker, Sept. 20, 1940, p. 4.

Michael J. Quill—Continued

Affiliation	Activity	Source
Union of Concerted Peace Efforts	Signer of manifesto	Daily Worker, Jan. 11, 1938, p. 2.
United Office and Professional Workers of America; Transport Workers Union; New York meeting.	Speaker	Daily Worker, Sept. 13, 1940, p. 5.
United Youth Committee Against Lynching (organizations participating: Youth section of the NAACP, International Workers Order, Transport Workers Union, Young Communist League, Communist Party, Socialist Party, Federated Youth Clubs, Abyssinian Youth Clubs, Mother Aion Youth Clubs, Workers Alliance).	Speaker, parade for Antilynch bill passage	Daily Worker, Feb. 11, 1938, p. 5.
Washington Youth Council	Speaker, Town Meeting of Youth, Turner's Arena, Washington, D. C., Feb. 7, 1941.	Washington Evening Star, Jan. 29, 1941, p. 4.

Spoke at antiwar, anticonscription rally sponsored by the Brooklyn Community Peace Congress at Coney Island Velodrome, Daily Worker, Aug. 16, 1940, p. 2, column 4.

Attended meeting at Chicago Workers School, reported Communist activities, Aug. 22, 1940.

Endorsed the APM conference to be held in Washington, Jan. 25-27, 1941, Daily Worker, Jan. 14, 1941, p. 1, column 7.

Participated in Town Hall Meeting held in Washington, sponsored by the American Youth Congress. Daily Worker, Feb. 7, 1941, p. 3, column 2.

Housing for Veterans

EXTENSION OF REMARKS
OF

HON. ELLIS E. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1946

Mr. PATTERSON. Mr. Speaker, during the war years, when the GI was fighting for democracy and all our individual lives, we did not hesitate to meet his needs with daring and with promptness. We saw to it that the materials he needed were produced, we saw to it that materials were allocated to his war needs, we saw to it that these materials were rushed to him promptly. When it was a matter of saving the life of GI Joe and incidentally our own lives, the talk was straight and to the point. Now that the war has ended and we must make provision for the greatest reconversion problem of GI Joe—where he shall live and how he shall live—the straight talk suddenly becomes double talk. Everybody is eager to say that there must be a housing program for the veterans immediately. But when good legislation comes up to provide this housing program, then prompt efforts are made to knock the teeth out of the legislation, leaving it just a hollow gesture which will neither fool the veteran nor the general voting public.

The Patman bill now before us permits allocation of scarce materials to construction of dwelling places for veterans. This permission to allocate materials must be kept in the bill for the simple reason that since there is a scarcity of materials, we must have a guaranty that these scarce materials will not be directed toward nonessential construction. Trusting to human kindness and good will is certainly not going to insure the veteran that when materials are scarce, these materials will nevertheless go to constructing low- and medium-cost homes that he can afford and that he needs so desperately. These scarce materials can just as easily go toward the building of \$30,000 homes, theaters, restaurants, and other types of nonessential construction. If this is done, just what chance does the veteran have of getting the 3,500,000 homes that he is going to need within the next 2 or 3 years? We must be realistic. Careful surveys and studies have been made and

the average returning veteran needs a \$6,000 home. Unless we pass legislation that will permit the allocation of scarce materials to this type of home, we are not going to come anywhere near meeting the great need of the veteran. We must recall that the first important point made by Wilson Wyatt in his report to the President is that there is an urgent need for some 3,000,000 moderately and low-priced homes and apartments during the next 2 years. If we seriously want to try to meet this need, if we are not just paying lip service to the veteran to whom we owe so much, we must give immediate thought to writing back into the Patman bill the authority to the Housing Director to allocate scarce materials when conditions make this necessary.

The question of price ceilings on new and existing construction is another essential part of the legislation now before us. We all clearly recognize inflationary trends in our economy today, and if we are to protect the veteran from harmful speculation and the crippling effects of inflation, we must see to it that price ceilings on both new and existing construction are provided when and if they are needed. There is no intention in the Patman bill of having over-all price ceilings nor of having any such ceilings if they are not necessary. However, if a particular locale, a particular type of construction requires ceilings to give the veteran protection against speculation, then authority to provide this must be given to the housing director and the local administrators of the veterans' housing program.

On the matter of new construction, if price ceilings are to be set, they will, of course, be based on the usual standards of the cost of the land, cost of construction, and comparative price values based on some normal year. In regard to ceiling prices on existing homes, this will be determined by agreement between the owner and buyer and this will be the ceiling price for 2 years, which will prevent inflation during a period when the danger of crippling inflation is very imminent.

Another essential aspect of the Patman bill is the granting of premium payments to speed the production of scarce building materials. When we were trying to win the war, we freely granted subsidies to those who were producing the materials of war, in order to speed the victory. Now we must be willing to grant subsi-

dies for scarce building materials, so that the men who were on the battlefield last year can have a place to live next year. This granting of premium payments, which is another factor urgently recommended by the Housing Expediter to meet our goal of providing some 3,000,000 more dwelling places for veterans, is not now included in the legislation before us, but it must be included to provide the fullest guaranty that we really intend to carry out the program which is so critically needed.

The need of the veteran for homes is not something that has come on us suddenly. It has gradually been building up during the past five war years when materials were of necessity going to war. We must now meet with vision, with honesty, and with courage the obligation that we have to the returning veteran to give him a home to live in which will justify the reason for his living in fox holes for 4 years. We are all agreed on the need for an emergency program for veterans' housing. Now let us agree that the only way to carry out such a program is to back it up with effective and courageous legislation. With the necessary inclusion of amendments to grant premium payments and to grant authority to place price ceilings on existing homes, the Patman bill now before us will go a long way toward insuring the success of the emergency housing program.

Boston

EXTENSION OF REMARKS
OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1946

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include herein a very interesting article entitled "American Cities: Boston," which appeared in the February issue of the Caravan, a monthly magazine published by the New Yorker Hotel Corp. of New York City, which is edited by Shepard Henkin and whose business is managed by Rose Shokler. In one of the first pages of this magazine there appears a very timely and important editorial by the genial president of the

mobile Workers, CIO, today issued the following statement on the emergency housing program advanced by Mr. Wilson Wyatt:

"The housing program as presented by Mr. Wyatt and approved by President Truman recognizes the magnitude of the need of the homeless veterans, while at the same time it appraises realistically America's potential productive capacity to meet this need. It does so by enabling the building industry and related private enterprises to get going at a rate of peacetime production that will match our high wartime momentum. It will do this with a minimum but essential amount of Government assistance.

"Only those who have no faith in American democracy and American production genius will doubt America's capacity to meet the goals set in Mr. Wyatt's most practical program. Such defeatists are the same ones who only a short time ago attacked our wartime aircraft and shipbuilding goals.

"Actually the housing program will greatly aid the building industry, since not only will it enable it to produce at maximum to meet the present crisis, but will lay a firm basis for many years of full-scale output. When carried out, these measures will make possible for the first time continuous production of low-cost housing for the mass market of middle- and low-income families, for whom it is estimated that over 16,000,000 new houses will be needed in the coming decade. While the approximately 3,000,000 houses called for in 1946 and 1947 will greatly alleviate the present plight of the homeless, we will have to continue to keep our sights high for many years to come if we are to reach our goal of a decent home for every American family.

"The housing program must be put into effect at once. It must be a major part of the national effort to achieve full employment. Its enactment is in the best interest of the veteran and all citizens who want a prosperous American economy. It is now squarely up to Congress to pass speedily the necessary legislation—the Patman bill, the Wagner-Ellender-Taft bill, and the Kilgore-Mitchell bill—so that the new housing program can go forward."

Target: Housing

EXTENSION OF REMARKS OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1946

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Herald Tribune of February 26, 1946:

TARGET: HOUSING

Congress begins debate today on Mr. Wilson Wyatt's plan to get 2,700,000 homes started in the next 27 months and thus prevent the housing crisis from getting worse. It is our earnest hope that the legislators will dispatch the program promptly—after plugging up two holes which were punched in it last week by a House committee.

The plan was made in one piece and each part was essential to arrival at stated goals on time. Mr. Wyatt defined the goals with the precision by which military production was turned out on time. "Target for 1946: 1,200,000 homes started. * * * Target for 1947: 1,500,000 homes started," said Mr. Wyatt, and he noted: "Neither business-as-usual, labor-as-usual, building-as-usual nor Government-as-usual will suffice." The country apparently agreed. There was hearty applause all around and no criticism to speak

of. The only thing that has changed particularly since then is in the public temper—that people are more wide awake to the emergency and less patient.

It is hard to see what prompted the committee members to drop the \$600,000,000 premium payments provision by which building stuff—the very first essential, now bottlenecked—is to be brought into the market. Conceivably it was thought that aid to be offered to some producers—premiums for producing more than the usual amount of conventional materials and for making the newer ones, such as light metal and plastics, which incidentally can be turned into houses faster—might upset the present competitive position of the producers. That this would happen is highly doubtful. Producers themselves have said right along that there is demand for far more material than can be made of every sort, and that incentives are needed. Demand for 1,500,000 homes each 12 months will continue 10 years. There is left the possible objection, on principle, to this subsidy-like aid to private enterprise—a point on which it is worth while to note some recent observations by Senator TAFT, of Ohio, who will certainly be accepted as a staunch defender of our existing economy. In speaking of housing with Federal aid including subsidies for low-cost homes, Senator TAFT noticed that "If the free-enterprise system does not do its best to prevent hardship * * * it will be superseded by a less-progressive system which does."

The premium payments are required to make the rest of the program work, with its priorities to channel the material into moderate-priced home building and preference to veterans, encouragement to the recruiting of additional labor, and control of prices. The House committee also dropped the proposed ceiling on existing homes. This is a pretty tall ceiling, which would affect chiefly the speculators, in our judgment, for the proposition is simply to let whatever price a house is sold for at this time be the price for the duration of the emergency. There is little logic or fairness in putting a lid on new-home prices but none on those which already exist.

not only in world markets but here in the United States.

American production of vacuum cleaners, washing machines, refrigerators, and other appliances is almost at a standstill while President Truman plays politics with Sidney Hillman and the OPA harasses and browbeats industry.

In the meantime, the smart British are not only destroying our world markets for vacuum cleaners and other products, but actually preparing to flood the United States with these same products made by labor which is paid about half of American wages.

What chance do you suppose American manufacturers are going to have to sell vacuum cleaners in South America, Central America, Europe, and Asia when the British can show that although we originated this machine, we buy British vacuum cleaners for our own use?

These people in other countries will never be able to understand that the people of the United States were forced to go abroad for vacuum cleaners because they could not get the superior products of their own factories.

Of course, the smug little Washington bureaucrats have not the slightest understanding of the enormous cost and difficulties of building up markets at home and abroad. Ninety percent of them could not run a hotdog stand successfully.

In England, however, the ablest men in the Empire devote their attention to the development of trade. With no natural resources, England must be intelligent or starve.

Beginning 1 month after Eisenhower's army landed in Normandy and months before Germany surrendered, England issued thousands of permits to businessmen to go abroad and prepare for after-war trade.

The British appropriated \$800,000,000 to back export trade.

Lord Woolton, the Minister of Reconstruction, advised businessmen that the Government had made studies of overseas markets in 26 countries and was ready to back the drive for trade.

"The world abroad is hungry for our products," said Lord Woolton, "and we must not tempt our customers overseas to find other sources of supply."

Let us not be silly and get angry at the intelligent British.

Let us use some of these vacuum cleaners to do a thorough spring housecleaning in Washington.

Importation of Vacuum Cleaners From Great Britain

EXTENSION OF REMARKS OF

HON. BARTEL J. JONKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1946

Mr. JONKMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and editorial:

[From the Chicago Herald-American of February 13, 1946]

VACTRIC LTD., CHAPEL HALL, AIRDRIE, SCOTLAND

"United States of America orders 250,000 vacuum cleaners from Britain."

No, gentle readers, this is not a faked story or a bit of propaganda.

It is a reproduction of an advertisement in the London Daily Mail, trans-Atlantic edition of January 16, 1946.

Of course we do not believe that this is the vacuum cleaner Winston Churchill and Lord Keynes used on the United States Treasury. That machine must have been much more powerful than the household variety.

The advertisement deals with a gadget as distinctively American as ham and eggs, and it should make clear even to the dumbest politician what is happening to American trade and the prestige of American products

HEALTH-MOR, INC.,

Chicago, Ill., February 25, 1946.

HON. BARTEL J. JONKMAN,

House Office Building, Washington, D. C.

DEAR SIR: We wish to call your attention to the attached editorial regarding the proposed importation into the United States of 250,000 vacuum cleaners from Britain. The editorial appeared in the Chicago Herald-American for February 13, 1946, and is a stunning indictment of that kind of Washington muddled political thinking which proposes to assist the introduction of foreign merchandise into the American market in direct competition with American products.

We use the word "assist," advisedly. In the instance involved, 250,000 vacuum cleaners represent one-eighth of the United States record sales in the biggest year the industry ever had. The figure represents a huge slice of the present year's vacuum cleaner market potential. To make more grievous the injury about to be done to American vacuum cleaner manufacturers, there is good reason to suspect that this vast flood of domestic market-destroying merchandise will be financed in part out of the proposed \$4,000,000,000 loan to Britain, * * * a loan to be paid for by the very people who will suffer from the import of this foreign equipment.

Since 1941, our organization and thousands of other American manufacturers have been "selling" the public on the vital necessity

of waiting for home appliances, like vacuum cleaners, until after the war. Although the war ended 7 months ago, we still have practically nothing save excuses to offer the American public, * * * largely due to Washington-created shortages.

Also, the 45,000 small businessmen who move home appliances from manufacturer to consumer are without vacuum cleaners to sell, * * * although their books are loaded with advance orders from customers who are becoming extremely impatient with the unreasonable delay in securing merchandise. This delay, we may add, is all too frequently ascribed solely to the manufacturer.

Therefore, an industry that is equipped and ready to produce 2,500,000 vacuum cleaners in 1946, with a retail value of over \$135,000,000, stands hamstrung with partially shut-down plants and skeleton crews of workers, while a few self-styled Washington "experts" indulge in manipulations that are supposed to adjust our economy to "a more abundant way of life."

Is it possible that we are supposed to accept as a solution to our problem the proposal that the American housewife buy British, while American industry is taught how to run its affairs? That we must stand by and be sandbagged by foreign competition because we have been rendered unable by our own Government to defend our domestic markets with vastly superior American-made products?

In order that public confidence in the vacuum-cleaner industry may not be entirely destroyed, we are proposing to the Vacuum Cleaner Manufacturers Association that a series of advertisements be placed in the principal newspapers of the Nation, telling the people why they must buy foreign vacuum cleaners if they want vacuum cleaners now. The time has come when we, along with other manufacturers who are paying an unearned penalty for un-American economic theorizing, must bring the injustice of our condition to the attention of the public.

You and every other intelligent, unprejudiced American must see the inexcusable stupidity of a condition which for seven long months has held the finest industrial system in the world at a standstill. We urge you, therefore, to take the following two steps in behalf of American industry:

1. Propose a bill that will immediately stop the importation of any article of commerce for which there is ample productive capacity in this country during the period that said productive capacity is held inoperative involuntarily.

2. Do everything in your power to remove the restrictions against reasonable price adjustments that now prevent United States industry from getting into high gear so as to attain maximum production.

Sincerely yours,

HEALTH-MOR, INC.,
ALBERT E. KRAMER,
Vice President.

Hon. Wright Patman, of Texas, Charges Real-Estate Lobby With Deliberate Falsehoods—Reveals Existence of Million-Dollar Slush Fund—Demands Homes for Veterans at Reasonable Prices

EXTENSION OF REMARKS
OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1946

Mr. PATMAN. Mr. Speaker, under permission to extend my remarks in the

RECORD, I should like to include the script of a radio program which was broadcast at 10:30 p. m., February 26, over the Columbia Broadcasting System's network.

This public-spirited organization has a weekly feature entitled "Congress Speaks," which has done much to keep the American people informed of worthwhile things that are being done in Washington. Last night's program was entitled "The Veterans Housing Scandal":

Mr. COSTELLO. One of the strangest aspects of the American postwar reconversion period is the fact that across the broad breadth of America, the fabled land of abundance, there has suddenly appeared the most acute housing shortage the Nation has ever faced. The situation had been intensifying slowly—almost imperceptibly—for several years. Then our armies started pouring home from the far-flung battle fronts over the world, and we faced a housing crisis.

With me in the studio tonight I have Congressman WRIGHT PATMAN, of Texas. He is the author of the administration's housing bill and leader of the floor fight for its passage. I have asked him to give us some firsthand information about how and why he believes the returning veteran finds himself in such a dilemma. Mr. PATMAN, what are your general views on this housing situation?

Mr. PATMAN. The desperate plight of our returning veterans in their vain search for a place to live is being written plainly on the want-ad pages of our daily newspapers. You can turn to any city in the country—New York, Chicago, Detroit, Dallas, Los Angeles—and read and hear the same story of their misery and need.

One would think, considering the eternal debt of gratitude we owe these youngsters who won the war for us, that Americans would gladly make an all-out effort to help veterans find a place to live when they are discharged from the Army. I think it is almost a national disgrace that this has not been the case. Instead, they are being made the victims of the biggest speculative swindle in the history of our country. They are being forced to pay fantastic prices for jerry-built shacks in order to find shelter.

I can cite literally hundreds of cases from my own mail—specific instances where veterans have been charged \$10,000 for a \$5,000 home. I have one case of a B-29 pilot who got back to his Chicago home 2 months ago. A landlord, who is not typical, demanded \$150 as side-money before renting him an apartment. Literally thousands of veterans cannot afford the tremendous down-payments now required on a home.

In one Texas town there is a veteran who has his home half finished. He has a priority certificate. Last week he went from lumber mill to lumber mill seeking enough material to finish his home. These mills had lumber in their yards, they had wall-board, they had flooring, but the mill men told the veteran, "I'm sorry. This lumber was ordered for commercial construction. It is already sold."

And that's the story. Across the land new stores are being erected; theaters, bowling alleys, all types of commercial structures, are consuming the material that should go into homes for veterans.

We have a plan to put a stop to all this. It is the program recently announced by the President to build homes by the millions; build them faster than they have ever been built before; build them with the same speed and intensity that we built airplanes and ships and guns to supply the battle-fronts over the world; to mobilize the forces of the building industry in the same way that the automobile industry, the oil industry, and the building industry itself were mobilized to meet the problems of war.

The President and Mr. Wilson Wyatt, his Housing Expediter, set a goal; a goal to build 2,700,000 homes in the next 24 months; more than seven times the number that was constructed in 1945. The plan has been set in a framework of broad vision and careful planning. The President has called for bold and energetic action on the part of both Government and industry.

In November I introduced a housing bill to provide the legislative foundation for this program. Its one objective was to provide houses for veterans at a reasonable cost, and to hold down speculation in existing homes until the veteran demand had been met. What happened? The most vicious lobby of the Seventy-ninth Congress has been organized to oppose the measure and all its parts. For a month Washington representatives of the real-estate interests have been button-holing Congressmen, urging them to vote against houses for veterans.

These same interests sent word out over the country to legitimate lumber dealers, urging them to wire their Congressmen to oppose the bill. Thousands of telegrams have been pouring in upon the Representatives and Senators. All this costs money. I conservatively estimate that a minimum of \$25,000 worth of telegrams have reached Congress in the past 10 days. Who paid for this campaign? Why would anyone spend thousands of dollars to defeat a plan to help veterans find shelter?

I think I know the answer. It has been reported in various newspapers that the Washington real-estate lobbyists have a slush fund of from one to five million dollars to be spent for such nefarious purposes as these. These lobbyists have stooped to downright falsehoods to dupe and mislead legitimate and responsible lumbermen and real-estate dealers over the country.

I have before me a copy of a publication called "Headlines", which these real-estate representatives sent out last week. It urges that the housing bill implementing the President's program be sent back to committee. It said, "The Wyatt program has been rushed to the floor of the House without the customary public hearings. Industry and private citizens have not been given the chance to submit facts about the effect it will have. Only by such facts will Congress be able to give proper consideration to this vital legislation."

Thousands of legitimate lumber dealers read and believed that statement. The truth was that the housing bill was introduced on November 20, 1945, and hearings were held on it before the House Banking and Currency Committee from December 3, 1945, until February 14, 1946. During this period of more than 2 months of hearings, a volume of testimony was taken. What is more to the point, the same representative who said industry had not been given a chance to testify, himself was heard for one full day by the House Banking and Currency Committee, and his statements occupied 15 pages of the hearing record.

Why should these lobbyists stoop to such practices? I believe there is a quite obvious answer to that. Should this legislation pass, they will be denied the greatest sucker market in history. The only thing they object to seriously in the administration's program is a formula which would prevent real estate speculation during the housing crisis of some 18 months.

If the legislation passes, Federal appraisers will scrutinize builders' plans for new homes to see that the veteran gets his money's worth. The legitimate builders have found no fault with this, but the group of speculators who are paying these Washington lobbyists well know that the houses they are building will stand no such examination.

I personally know of instance after instance where veterans who have finally found a place to live are being evicted because their homes were sold out from under them by the landlord. These same specu-

lators, worshipping at the great god greed, cry that we are ruining free enterprise when we want to build homes for veterans in the six to seven thousand dollar range. They claim that homes cannot be built in America for six or seven thousand dollars. The truth of the matter is that the speculators can make more profit per house on \$15,000 mansions, and, therefore, they have not the slightest desire to build homes for veterans at six or seven thousand dollars.

However, personally I am convinced there are sufficient responsible, thinking Americans in our country who cannot be duped by propaganda and who will join in this program of helping us provide homes for our veterans.

That's a rather lengthy explanation, but I think the American people are entitled to know the facts of the housing situation.

Mr. COSTELLO. Every man to his own opinion, Mr. PATMAN. Now there are several points I would like to clarify in my own mind. You spoke of this formula for holding down speculation on existing homes. What formula did you mean?

Mr. PATMAN. Simply this, Mr. Costello. One of the major sections of the housing bill provides that the present owner of a home could sell it at any time for whatever price he could get for it. That price would then become the ceiling price for the duration of the housing emergency.

It protects the investment of the present owner. Its sole purpose is to prevent the speculative reselling that has skyrocketed the price of so many homes.

Mr. COSTELLO. How long would that ceiling price remain?

Mr. PATMAN. Only for the life of the housing bill—until December 31, 1947—some 18 months. I don't think that will hurt anyone, yet this has been one of the most misunderstood and controversial points of the whole legislation. It does hit the speculators squarely in their pocketbooks, however, and we have heard the resulting outcry.

Mr. COSTELLO. There does exist some sincere criticism of your bill, Mr. PATMAN, particularly on the question of subsidies. Mr. Wyatt is asking \$600,000,000 to use for what he calls premium payments which a lot of people object to. What about that?

Mr. PATMAN. I sincerely believe, Mr. Costello, that these subsidies will be the cheapest way for us to get our production goals. All of us know that scarcity of materials is our biggest problem right now.

Some small marginal plants with higher costs are either shut down or operating at only partial capacity. The reason for this in most instances is that they cannot afford to pay competitive wage scales and hence cannot get workers; or their manufacturing methods are not as efficient as their competitors. It is Mr. Wyatt's idea to give these plants a premium price for their product. This extra money can be used to hire more men or take whatever steps are necessary to increase production. Once the plant gets into volume production, and the cost per unit drops, it can then compete and the need for subsidies no longer exists. It acts as a sort of industrial pump primer to get a plant under way.

Mr. COSTELLO. Some of the critics of the program, Mr. PATMAN, have been pointing out that this program will result in the veterans obtaining a lot of cheap, prefabricated homes, and in 10 years they will find themselves much worse off than if they had paid higher prices for conventional homes. Would you care to touch on that, Mr. PATMAN?

Mr. PATMAN. I most certainly would. That's another argument the speculators are using to keep us from building homes for servicemen.

Under the President's housing program, 1,200,000 houses are planned for 1946. Of these 700,000 are conventional homes and 250,000 are so-called prefabricated houses—so you can readily see that the emphasis is

going to be on the conventional type home, built by local carpenters and construction firms. The prefabricated houses are expected to fill the gap beyond the capacity of the conventional building methods.

However, these prefabricated homes will be required to meet the same standards of construction that conventional homes do. They must meet the same scrutiny of FHA appraisers, so that the argument that we will have thousands of prefabricated shacks under this program just doesn't hold water.

Mr. COSTELLO. About these lobbyist telegrams, Mr. PATMAN. Don't you believe that they come from legitimate builders?

Mr. PATMAN. Of course I do—and I answer every one of them which contains sufficient address. In most instances the wording of the telegram itself shows conclusively that the writer has been misinformed about the housing program. In many cases I later receive letters from them explaining that they have been misled and pledging their support of this legislation.

In connection with this, I have one specific instance you might be interested in. I received a telegram from a lumber dealer in Houston, Tex. I promptly and courteously replied to him, explaining my motives for introducing this legislation. He indignantly wrote back saying that he had never sent the telegram and wanting to know the circumstances around it.

I promptly turned the case over to the Department of Justice. It developed that one man came into a Houston telegraph office, gave the clerk a long list of names, and planked down several hundred dollars in cash, asking that the wires be sent to various Congressmen. My friend's name happened to be one of those picked at random by this lobbyist agent, unfortunately for him.

Mr. COSTELLO. What happened to the sender, Mr. Patman?

Mr. PATMAN. Unfortunately there is no Federal law, to my knowledge, Mr. Costello, covering a case like this, but it was a neat example of the methods of lobbyists. These instances I have given you illustrate the type of opposition that is facing those Congressmen who are attempting to carry out the will of the American people, in seeing to it that our veterans will have a place to live. I hope I have helped clarify some of the misinformation that has been bandied about on this bill.

Wyatt's Bold Plan

EXTENSION OF REMARKS OF

HON. GEORGE G. SADOWSKI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1946

Mr. SADOWSKI. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I would like to include the following editorial from the Detroit News of February 13, 1946:

One of President Truman's appointments that looks to be panning out—though this is perhaps just luck, since the appointee is a power in Kentucky politics—is that of the very able and energetic former mayor of Louisville, Wilson Wyatt, as Housing Expediter. Mr. Wyatt, in office 7 weeks, has put together a plan which he thinks, with the blessing of Congress, may result in the building this year of 1,500,000 family units of housing.

The plan counts on the cooperation, not alone of Congress, but of the building industry—and what is more conjectural—of building trades labor. It goes on the assumption, as indeed it must, that the housing problem

cannot be met without adoption in some degree of mass production methods and without some assistance in the way of underwriting the special risks of this innovation on the part of government.

Mr. Wyatt's plan, as might be expected in light of his record as Louisville's mayor, is a bold one. It may prove overbold, when it collides with the conservatism of the building industry and of those who work in it.

But none will deny, we expect, that boldness is a quality in the absence of which the housing problem is not going to be solved, certainly not satisfactorily.

In respect to no want of the people is the gap between demand and supply so vast as in respect to housing—the hardest of all wants to meet rapidly. The gap here is so huge, due to years of war and depression, that the building industry's present capacity would need a decade in which to fill it.

But, as with other commodities, so with housing, the only hope of heading off disastrous inflation of prices is to supply the demand, or a large part of it. Moreover, there can be no such thing as an inflation in realty and housing alone, without pulling other prices skyward with it.

The answer must be an expansion of the building industry's capacity, beyond anything it normally would attempt or risk of its own initiative. This is a large order, but, up to the moment, Mr. Wyatt looks like a man who will have a good try at filling it.

Extension of Emergency Price Control Act

EXTENSION OF REMARKS OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1946

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by John W. Snyder, Director of War Mobilization and Reconversion, to the House Banking and Currency Committee on the extension of the Emergency Price Control Act, Wednesday, February 27, 1946:

Mr. Chairman and members of the committee, in scheduling these early hearings on the extension of the Emergency Price Control Act of 1942 as amended and the Stabilization Act of 1942 as amended, your committee is performing a very real service to the American people. We must come to grips at once with the problem of keeping inflation in bounds. It is not a threat that may materialize in the future. It is a very dangerous present condition.

There is every likelihood that keeping inflation in check is going to be the most crucial domestic question before us for many months to come. That is why I consider it so important to take steps now for continuing price stabilization measures for a full year beyond June 30, 1946. I am glad that your committee has offered me this opportunity to discuss the problem with you.

American businessmen and consumers rightly fear the effect of inflation upon our economy. And they should know that their Government is prepared to safeguard their earnings and savings by stabilizing prices. And they should know now that the Government is prepared to remain on the price stabilization job until economic equilibrium is within reach.

As you know, I am on record as having said many times that I believe production, in the last practical analysis, is the only real

solution to the problem of inflation. I want to take this opportunity to reaffirm that statement. At the same time I want to say, with equal firmness, that I believe we cannot drop our defenses against inflation before supply begins to supply demand.

Price stabilization is a measure we are using to safeguard our economy against the disaster of rising prices and costs.

We need that safeguard until production is sufficient, and the volume steady enough to begin balancing with demand. Demands at present are very heavy. They have built up during the war, and there are new demands at present for many things.

It will take time to manufacture consumer durables, components, materials needed by business and construction materials—and this alone is a big, time-consuming job which requires changing over and adjusting the Nation's complex business machinery from war to peace production. It will also take time to get these things to the markets. The channels of distribution, wholesale and retail, for business and consumers have to be filled up again. Anywhere from a few weeks to many months are necessary for this. And that supply, once volume production has been reached, will have to be maintained for more weeks and months in order to approach demand.

We should ask ourselves what would happen to production prospects if price stabilization were to end before we had allowed enough time for the practical tasks of reconversion. Suppose we entered a period of spiralling prices and costs. It happened after the last war. If it happened again industry would certainly be obliged to stock up with materials for manufacture before prices went higher. It would be natural for consumers to rush to buy what they needed before the cost of living climbed further.

It would be natural, too, for business to withhold finished goods from market, because it would be facing a loss to sell when prices were sure to go higher. This situation would for a time inevitably increase, not lessen, the shortages of both producer and consumer goods.

A disordered price structure, with prices and costs bolting out of control, would give business in general a poor chance to expand its output of goods and services. Many of the industries producing to fill the most troublesome shortages would run into further difficulties.

It is not reasonable to expect that all production would increase if all price ceilings were removed. In specific cases, where lack of production is retarding reconversion, we can divert labor and materials from other uses by granting measured price increases in order to step up output. This can be done effectively only under the stabilization framework. With all prices rising, that advantage would be lost.

At this stage in reconversion there are still a number of obstacles to be overcome before a larger volume of finished goods can flow to market. Shortages of labor, of components, and raw materials, still have to be met. Properly trained workers must be where they are needed and at the right times. Industrial plants and distributors have to reorganize for peacetime trade. Technical changes are still being completed. And labor and management must settle down again into normal bargaining.

These factors must be taken into account when we talk about achieving the kind of substantial production that will eventually smother inflation. But even so, even with practical problems still to be solved, our total civilian production is increasing. There has been noticeable progress in the production and shipment of finished consumer durable goods to market from the reconversion industries.

December shipments of vacuum cleaners, electric irons, refrigerators, electric ranges, washing machines, sewing machines, and

radios ran 10 to 30 percent above November shipments. And industry expects shipments of these and other consumer durables to reach at least prewar rates of shipment by June of this year.

Goods from reconverting industries are coming to market in larger and larger quantities. This new production is coming in addition to over-all production for civilian use that already stands at the highest level in our history.

During the war years production for civilian use, in addition to our unsurpassed war manufacture, outreached any previous peacetime period. And on December 31, production for civilian uses was higher than it had ever been before in peacetime.

During 1945, for example, food production in this country was 35 percent above the average for 1935-38, a peak up to then. An indication of today's volume of production is the amount of goods moving through department stores to consumers. It stands at an all-time peak.

Balance of supply and demand is an eventuality on which we can rely. But it has not yet materialized. It will require time. One reason that it will require time is that present demand for goods is so swollen that even better than ordinary production is not going to be enough to meet it immediately. This factor is one of the inflationary pressures that we have to watch.

Like many other inflationary pressures that have been developing since VJ-day, heavy demand is not itself a bad thing. On the contrary, it provides a bridge which we can use to reach a period of good jobs, stable markets, and better times for all of us. We can reach this period if we take action now to prevent runaway inflation. But if heavy demand, and great purchasing power are allowed to dissipate themselves in a boom that can end only in a depression, we will not be able to build a sound economy in the future.

There are other inflationary pressures that have been building up since last August.

Prices continue to press hard against their ceilings. Wholesale prices have been inching higher and higher. Since last September, wholesale prices have risen faster than during any similar period since 1943.

Consumer spending continues to be heavy. Department-store, chain-store, and mail-order sales were higher during the whole of 1945, and higher during the last month of the year than during comparable periods in 1944. Consumer buying in the last quarter of 1945 was at the highest rate in our history. Retail sales were at their all-time peak as the new year began.

All these evidences of the trend toward inflation must be considered along with another one. And this is the psychology of inflation that is becoming more and more apparent. Trade and business journals frankly cite the probability that prices will go up. We know that both public and private purchasing agents have frequently been unable to contract for future deliveries of goods except by agreeing to "escape clauses" providing for the possibility of a higher price.

The assumption that prices are going up gives business an irresistible motive to withhold finished goods from market in expectation of higher prices and higher profits. We have not yet been able to judge how much this fact accounts for a number of shortages. But we must reckon with it. It is a practice that adds an artificial scarcity to the very real shortage of goods that already exists.

This fear or anticipation that inflation is on the way, the assumption that prices are going up, could very well be translated into disastrous action. And the action would be a rush to buy that would accentuate the already strong demand for goods and services. There is sufficient buying power available among both business and consumers to give considerable impetus to a buying rush.

It is obvious that we will continue to need safeguards against such growing inflationary

tendencies. It would appear that, to safeguard consumers against increased living costs, it would be necessary to control only the prices of food, clothing, rents, and housing. This view has been advanced by those who sincerely want to avoid the development of serious inflation.

I very much wish that this were all that was necessary. It would greatly simplify the task of the Congress and the administration. Unfortunately, while inflationary pressures remain as great and as general as they are today, this proposal simply would not work.

It would not accomplish our objective of stabilizing the cost of living, because price increases are contagious. If prices in the uncontrolled sectors boomed—as under present conditions they certainly would—no price administrator could hold back prices in the controlled sector.

Just suppose, for instance, that the prices of all durables—autos, refrigerators, radios, furniture, farm machinery—and all services also, increased materially. And this is not in the least unlikely if all price controls were removed.

Could anyone seriously suppose, to cite one example, that the prices of agricultural products could be held down while the price of durables the farmer has to buy soared?

Another type of argument, also advanced by those who do not want to see a "runaway" inflation, is the contention that continued general price control is really restricting production, and thus contributing to inflation. One main reason for this contention, I think, is that each businessman knows that if his own prices went up, without any change in other prices, he himself could produce more.

This is certainly true. If any single price were raised, while all other prices remained under ceilings, the producer in that line could raise both the wages he pays his workers and the price he offers for materials. He could then attract more labor, get more materials, and produce more. We have taken advantage of this under price control in increased output of materials and products which are bottlenecks in reconversion.

But it does not follow that removal of all controls would have the same effect. Instead, it would destroy the advantage and create disordered markets. Today's high demands can be filled only by many months and, in some cases, years of sizeable, steady production.

Certainly, lifting price controls would not help us complete certain necessary reconversion tasks that industry still is working on. The same practical and technical operations would still have to be finished. It would still be necessary to allow time for distributors to reorganize their sales outlets. Workers would still be relocating themselves. Collective bargaining would still have to operate.

If continued price stabilization were actually restricting all production, we would have been undergoing a very different sort of transition period since VJ-day. Instead of our present rapid progress, we would have had a limping reconversion. Unemployment would have increased much more sharply and quickly than it has.

However, relying on continued effective price stabilization to keep our economic house in order until production begins to approach a balance with demand, does not mean that we are determined on rigid and inflexible control of prices.

Existing stabilization powers provide sufficient room for necessary flexibility in price control. The development of a revised wage-price policy by the Government during the last fortnight illustrates this point. Since VJ-day there has been a fairly narrow category of wage increases that could be used by industry as the basis of request for price

we sought to thwart the Administration in accomplishing its program of relief and rehabilitation of wartorn countries.

Therefore tonight I see as three of the Republican party's most important tasks in the future: the task at home of raising the economic status of the Negro; and abroad of aiding those governments where no man is a slave and none is master; and of succoring the innocent victims of war. When we have completed these tasks, we shall come at last into our own as the true political heirs of Abraham Lincoln.

Views of President R. J. Thomas of the United Auto Workers, Congress of Industrial Organizations, on Pending Legislation and Problems of Labor

EXTENSION OF REMARKS OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 22, 1946

Mr. SABATH. Mr. Speaker, under leave given me I insert in the RECORD a speech delivered by Hon. R. J. Thomas, president of the United Auto Workers, who, upon the request and in the absence of Hon. Philip Murray, president of the Congress of Industrial Organizations, expressed the views of the latter organization on two pending antilabor bills on the occasion of a caucus held on December 4, 1945, in the Old House Office Building. The caucus was attended by over 100 Members of the House, who were desirous of learning the facts about the pending antilabor legislation and who heard, besides that of Mr. Thomas, addresses by other outstanding labor leaders, including William Green, president of the American Federation of Labor; Mr. E. A. Lyon, executive secretary of the Railway Labor Executives Association; Mr. John O'Leary, an official of the United Mine Workers; Mr. Martin Miller, representing the National Brotherhood of Railway Trainmen; W. D. Johnson, vice president of the Order of Railway Conductors.

It is significant, Mr. Speaker, that the attendance of labor leaders at the caucus on December 4, 1945, was the first time in history that representatives of all labor organizations had united and joined in protest to the enactment of labor legislation which they deemed inimical to the interests of labor.

It is my opinion that Mr. Thomas' address applies with even greater force to that monstrosity now pending in the other body, H. R. 5262, which carries many more, and more objectionable, vicious, and restrictive antilabor provisions than in any proposed or previously enacted antilabor legislation considered by the Congress. The text of Mr. Thomas' speech follows:

Chairman SABATH. The meeting will come to order. Many Members have said that leaders and spokesmen for labor were not granted an opportunity to be heard before the Committee on the Judiciary on H. R. 3937 and H. R. 32, two bills which obviously threaten all that labor has gained in two decades. Therefore, some of us decided to call to-

gether Members who desire to hear the real facts in regard to these bills.

I am indeed gratified that there are so many of you here. Do not fear that I shall talk a long time. I shall not. We have here today several gentlemen whom you want to hear and whom you came to hear. They have served equally their country and the cause of labor all their lives and are recognized as spokesmen for organized labor.

I have a telegram here from Mr. Philip Murray, president of the Congress of Industrial Organizations, from which I quote:

"Due to previous commitments I will not be able to attend this meeting called for Tuesday, December 4. I am asking R. J. Thomas, president of the United Auto Workers, to be present in my absence to give the views of the CIO on these two bills. Thank you for your interest."

"PHIL MURRAY, President."

Now it is a pleasure and privilege to call on Mr. Thomas to give his position, and the position of the great organization he represents, on these pending bills.

Mr. THOMAS. Mr. Chairman, ladies and gentlemen, I too, want to thank Congressman SABATH for giving us, the representatives of labor, the opportunity to express to the gentlemen of Congress our views on this particular labor legislation which is before Congress. I, too, want to say, speaking for the Congress of Industrial Organizations, that the Congress of Industrial Organizations is opposed to all antilabor legislation which we feel is introduced for no other reason except to smash the labor movement in this country. I want to say that in the past few weeks I was one of the members representing labor in the labor-management conference called by President Truman, and one of the reasons that that conference was called was to get an agreement between labor and management. The reason that it failed, that it fell below the expectations of many people in America, is for exactly the same reason that I am opposed to this sort of labor legislation. That is, the workers of America have some fundamental problems which must be solved. The labor-management conference refused to take recognition of those problems and here we have laws introduced by people who think that these laws, if passed, could create industrial-labor peace in America without taking care of some of those fundamental problems which face the American workingman today. It is exactly the same. It is amputating a man's arm to try to cure him of heart trouble. That sort of operation is never successful.

When the Smith-Connally Act was first passed by Congress and during its discussion by Congress we in labor said repeatedly that the Smith-Connally Act would do nothing, would make no contribution toward labor-industry peace during the war. I think perhaps today everybody in America agrees with us on that proposition. I think some of the things which are causing the problems for labor today, some of the things we should try to think about a little bit and see what we can do to cure, is the problem in the first instance, before strikes and so forth do develop.

For instance, today I find that it's practically impossible for me to get any real collective bargaining in industry, and there are reasons for that. There have been laws passed by Congress that stop collective bargaining as far as our particular industry is concerned, at least.

For instance, in the automobile industry, which I consider, and I think all of us do, an industry that does control to a great extent the economic situation in America, I have found this to be true, that there is no haste on the part of that industry to put automobiles on the market due to the fact that because of the tax laws that have been passed, there is no incentive to put those automobiles on the market. That industry cannot make any more money the rest of this year.

We had another bill which was passed which I know as the George bill, which has carried proposals where industry is reimbursed in case of a strike. Now, I do not believe any Congressman thought of the idea as far as that bill is concerned, that where management and labor had disagreements that industry was to be paid while that disagreement was going on. That is the reason that we have a great amount of labor unrest today and it is not through that sort of thing that the situation will be corrected.

Labor has many different and difficult problems today. Since VJ-day the take-home wages of labor have been cut to a considerable extent. I know when my organization asked for a 30-percent increase in wages many people in America said, "Well, have the dead-end kids gone crazy again?"

The thing I want to impress upon you is that those workers are not asking for an increase in wages. They are asking that their former wages be protected. There has also been considerable downgrading in industry, which again cuts the individual's wages. There has been a continuous rise in the cost of living as far as workers are concerned and industry has been making record-breaking profit.

For instance, in the General Motors Corp., from 1939 to 1941, they made 50 percent of the net worth of that company in a 3-year period; and now after the war is over the company is in even better position, and yet there are people who think that in no other way can they stop industrial unrest except to tie up and hamstring labor.

I agree with President Green of the American Federation of Labor that we of the labor movement do agree with the free enterprise system of America, but we must also have free unions in America. During the past war many people all over America hailed the good job that labor had done during that war, and I remember standing on platforms before my membership time after time and being taken to task because I had agreed to a no-strike pledge for the duration of the war. For what reason? I took that no-strike pledge and carried it through in my union for the protection of my country, but I don't think you are going to ask me to do that for the protection of General Motors because the workers in America think that is discrimination and unfair.

The labor-management conference, as I said, failed to a certain extent because they didn't recognize those problems.

On the new proposed amendments to the Smith-Connally Act it is proposed to outlaw unions as a collective-bargaining agent. I will read from the bill: "The employer shall be relieved of any obligation under the contract and the labor organization shall lose its status as a bargaining agency for the period of 1 year." Now if you don't think this discriminatory legislation, I ask you to consider cases where management incites riots, and my God, gentlemen, that is done every day. Is management's business taken away from them every year? What penalty is put on them for violating a contract? It says that it should be done providing there was a violation of the no-strike pledge.

I have in our particular industry hundreds of contracts with no strike pledges in them, but I have always considered that when I negotiate a contract with management, whether it is to be for 1 year or 2 years—I don't believe we have contracts for over 2 years—I say that management and labor both have an agreement such as that, and to carry out any sort of an agreement there must be a decent relationship between the two.

I have always considered, and I think the majority of leaders of American labor consider, that there should not be strikes for the duration of the contract, whether there is a no-strike clause in that contract or not. A contract in my mind is no good if you don't intend to live up to it, but I say if this par-

ticular law is passed I will proceed to do everything I can to see that no-strike pledges are taken completely out of contracts. I say to you gentlemen here that that would promote more strikes in all industry in the United States and would not solve the problem.

There is another section here, which would ban labor from participating in a political campaign. It just so happens that I happen to be active in the national CIO-PAC, and I know that the people who are in favor of this legislation are not in favor of the common people of America expressing their views upon political candidates. They say, "Yes, look at the millions of union members and how they can go out and collect a dollar for each one and raise millions and millions of dollars!"

I know in the last political campaign how much our organization spent, and I know a great many heads of corporations of America that spent as much money as our organization spent. You say that is not discriminatory legislation? Why, the General Motors Corp. alone, through individual members of that corporation, can raise more money in any particular day for a political campaign for something they want than we can in a year. I don't think it's been any secret how much money the du Pont family has put into political campaigns. I don't think it's any secret to Congress how much Mr. Sloan, of the General Motors, has put into political campaigns, and that is all right, I don't object; but I do object when you try to take the principles of democracy from the American people.

I am beginning to wonder with legislation such as I have discussed here—under discussion at least. I thought we had just got through the war fighting nazism and Germany and Japan and some other foreign countries, and right today this Government is sending people representing labor to Germany and Japan and to other countries and saying that for a true democracy to be built in those countries it must be done through a labor movement or at least helped by a labor movement.

Here we are sending missionaries to our defeated enemies to build up democracy while here at home we are taking the other direction. I am beginning to wonder what we fought this war for. I mean the millions of Americans—what they fought this war for. Under this proposal, it seems to me in taking the rights of labor from them we could look back into history, and it seems to be the only way some people know how to solve these problems, is to go backward to what we were in the labor movement a century ago. Next thing I know you will be passing laws making slaves out of the working people of this country. It seems to me that is the trend these laws are taking.

Under the Hobbs bill, which is supposed to curb racketeering, I submit to you that I don't know of an instance where if there is racketeering in labor that it could not be taken care of by laws already on the statute books, and I will say as far as I am personally concerned in my organization, I have known one or two instances where I ran across individuals who would like to do a little bit of racketeering but they never got to first base. My organization has taken care of that and there just is no racketeering, yet we want to pass a bill like this which again I say is discriminatory. As president of my organization if I do any racketeering am I not just as liable under the law as some manufacturer and I know some that do a little racketeering. Being a member of a labor organization does not in any way protect an individual or a group from racketeering as far as the law is concerned.

That is about all I want to say to you except bring out some of the problems which are causing difficulty. I say the people who are advocating these things are not advocat-

ing them for labor-management peace in America—they are advocating these laws to break the labor movement.

I have here a photostatic copy of an automobile news letter, a marketing service for automobile dealers, I would like to read to you, and I can show you what your problem is, one paragraph out of this letter: "Perhaps the only solution is a policy of sitting tight and waiting until the economic pinch forces workers to realize they must stay on the job or starve. At the moment there is no disposition on the part of management to become frantic over labor unrest. A watching and waiting policy is the general rule." And I can vouch that that is the general rule at least in our industry today.

To show you, I have a number of notes here on what has happened as far as our situation in General Motors is concerned. Talk about a cooling-off period! For 97 days we cooled off, trying to negotiate with that company, asking Secretary Schwellenbach to send in conciliation, and we could only get conciliation in on the understanding, if you please, that these men were only observers. They didn't dare to open their mouths and I want to know how those men could do mediation. We could not even get collective bargaining. While we were there with General Motors, reading off a brief, trying to state our case, the people of the corporations sat there reading Liberty magazine and Saturday Evening Post. We asked them to listen to us and they said, "Aw, hell, we can get more out of this magazine."

In any demands for wages increases we have said that if the corporation can prove that they can't pay the wage increase we ask for we will scale down our demands, and as a final plan we offer arbitration, which was denied. And you ask what causes labor unrest in America. I believe that the main cause of it now is that we have no collective bargaining and, as I said before, the tax laws passed by Congress have already taken us out of our collective bargaining position.

To show you, here is just one instance: Paul Renko is one of our members who lives in 14349 Robinson Street, Detroit, Mich. During the war as an automobile worker he took home \$65 per week. Now he takes home \$38 a week and he has a family of four which must live on that. That is the cause of labor unrest in America. That is the thing that we have got to look into and see what it is that we can correct because of the increased cost of living. People with families cannot live on that sort of wage today.

In the President's message he talked about a cooling-off period. What I would suggest is that we should have a little cooling-off period on antilabor legislation. It would do us all a lot of good, I believe. As I said, we cooled off 97 days in negotiations, in the recent negotiations we have been in. In America, ever since the time of Abraham Lincoln when he discussed it very much, practically every great statesman in America has stated that labor must have the right to strike. Labor must have the right to strike if we are to have free enterprise in America.

Labor must have the right to strike. It is the only chance that labor has. During the war I was a member of the Labor Board and we took many decisions that we didn't like, but we took them for our country to make what contribution we could toward winning the war, and in our particular industry, which gets a lot of publicity for strikes, it may be interesting for you to know that the strikes in our industry were below the national average.

I cannot continue to say to workers forever: Let some board or agency take care of this problem. What we want today in America, in my opinion, is a cooling-off period on labor legislation and give the workers of America an opportunity to work out some of these problems, and they will be fair, I assure you of that, gentlemen, and I am quite sure that a vast cross section of the workers

in America, no matter what organization they belong to, want to see their country go on prosperous but they can't see how it can be done with millions unemployed and they can't see how it can be done with the way workers' wages are being cut and cut.

That, my friends, is the reason for labor unrest in America today, and all this sort of legislation which it is the purpose of some people to have passed. That will not solve the problem.

Again I want to express my thanks to you for the opportunity to be here today and discuss these problems with you.

The Housing Shortage

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 27, 1946

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the Record, I include the following statement of the Retail Lumber and Building Material Dealers of Jacksonville, Fla.:

[From the Jacksonville (Fla.) Journal, of February 18, 1946]

TWO MILLION SEVEN HUNDRED THOUSAND; YES, MR. WYATT, IT CAN BE DONE

Is Housing Administrator Wilson W. Wyatt reaching for the moon, asking for 2,700,000 new homes in 1946 and 1947? Recalling that 900,000 in 1925 was an all-time home-building record, that 400,000 this year has been the most optimistic forecast, it seems the answer must be yes. But, remember the early months of the war, when an annual production goal of 50,000 planes sounded fantastic? Well, we got 100,000. We needed a tenfold increase in ship production, too. Impossible? Sure, but we got it, with tonnage to spare. All along the line, under the compelling need for greater war production, incredible quotas were surpassed, records smashed, time after time. So, Mr. Wyatt, we say, it can be done.

IT WON'T BE EASY

Nobody knows that better than your retail lumber dealers. Besieged by material-hungry builders, begging the manufacturers and mills for scarce supplies, we are on the front line all day, every day. We can see the difficulties on both sides; the builders hampered by restrictive legislation, labor shortages, rigid codes and customs; the mills caught in the wage-price nutcracker squeeze. To solve these and scores of other such problems will take courageous leadership, bold initiative, and above all, a genuine spirit of patient cooperation among all parties—industry, labor, Government, and the public. Then the houses will start going up.

HOW DID WE GET THIS WAY?

People sometimes say, "How did the housing shortage get so bad, so fast?" Well, the fact is we had it even before the war. For the past 15 years fire and obsolescence have been taking 200,000 more houses each year than have been built. And, whereas the United States had a population of 130,000,000 in the thirties, we're now pushing 140,000,000. Even with 12,000,000 men under arms—overseas and in camps—families had begun to double up. Rapid demobilization after VJ-day did not cause the shortage, simply made it worse. Throughout the war, housing was consistently at the bottom of the priority list. Why? Because we had to have the guns, planes, ships, the war plants, and barracks. Since we couldn't have these and

new houses too, houses had to wait. But now it's high time the houses were going up.

NOBODY LIKES PRIORITIES

Whether red and blue stamps or A, B, and C coupons; whether AAA or HH ratings; whether sugar stamps or your place in line for nylons—whatever form priorities take, nobody likes them. Nobody liked the war either. Nobody likes inflation, or the black market. But if it's going to take more priorities to channel vital lumber and building material into houses, then we'll grin and bear it. You will too, when the houses are going up.

SUBSIDIES OR PRICE INCREASE?

Part of the Wyatt program provides for subsidies or premium payments to manufacturers exceeding quotas on certain bottleneck items on the critical list. Most manufacturers think a price increase will furnish incentive enough to assure maximum production. What's the difference? On the one hand, you pay the extra freight in taxes. On the other, you pay more for your house. Debate on the question may be long and hot, but the only sense-making answer is the one that starts—and keeps—the houses going up.

We ourselves are only retail dealers in lumber and building materials. Shortages caused by bottlenecks up the line hit us first and when they do, we have to say, "Sorry," to you. Do you think we like that any more than you do? What's more, we have a big stake in Jacksonville—a busting-out-at-the-seams Jacksonville that simply can't help growing still more. That's why we say, Mr. Wyatt, it can be done. It must be done.

Retail Lumber and Building Material Dealers of Jacksonville: John W. Baldwin Lumber Co., Dawkins Building Supply Co., Marshall & Spencer Co., Bond-Howell Lumber Co., Foley Lumber Co., Mason Lumber Co., Thompson Lumber Co., Carolina Portland Cement Co., Lechner Lumber Co., Inc., Taylor Lumber & Appliance Co.

General Motors Head Admits Secret Agreement and Says Industry Should Run the United States of America

EXTENSION OF REMARKS OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 22, 1946

Mr. SABATH. Mr. Speaker, some time ago I called attention to a conference of Wall Street-controlled industries and industrialists. Some of the representatives present tried to deny these facts. Consequently, the testimony given by Mr. C. E. Wilson, president of the General Motors Corp., at a National Labor Relations Board meeting, as reported in the daily newspapers, is of great interest to me. Mr. Wilson's guarded statements before the Board make it clear that there was an agreement—some might call it a conspiracy—to destroy or at least weaken organized labor.

I should like to know, Mr. Speaker, if this agreement to which Mr. Wilson testified, under oath, is responsible for the delay in settling the General Motors strike?

Under leave to extend my remarks in the RECORD, Mr. Speaker, I desire to insert a news report of Mr. Wilson's statement as printed in the Philadelphia Record for February 15, 1946. At the same time, I serve notice that I shall insist on knowing all the facts in these statements, or otherwise I shall feel impelled to bring before the House a resolution for Congressional investigation of the industrial conspiracy against the legal and economic rights of organized labor.

Following is the text of the news report:

DETROIT, February 14.—General Motors President C. E. Wilson told a National Labor Relations Board hearing today that a group of American business leaders discussed "the hell of a shape we were in" last December.

He denied, however, the group entered into an agreement for a unified fight against union wage demands and Government price control. Then he added: "It's too bad that group can't make decisions for the country."

TESTIFIES AT HEARING

Testifying at the NLRB hearing on CIO United Auto Workers charges of unfair labor practices against GM, Wilson said the group met at New York's Waldorf-Astoria Hotel last January 9, because "they were all looking down the same gun I was." He explained he meant the threat of strikes.

Wilson identified those present as representatives of GM, United States Steel, Westinghouse and the meat-packing industry. Ford and Chrysler had no representatives there, he said, because they "were not looking down the gun."

Questions concerning the meeting, a luncheon given by GM, were fired at Wilson by Harold Crane, regional NLRB attorney.

MISTAKEN ON DATE

Crane pointed out that the luncheon was held a day before President Truman's fact-finding board reported its recommendation for a 19½-cent hourly increase for striking GM production workers.

During his testimony, Wilson said the meeting date was December 19, but late today he told the hearing officer he had been mistaken on the date. Both sides agreed to substitution of the January 9 date in the record of his testimony.

"No agreement came out of that meeting," Wilson said. "None were intended. There was nothing sinister about it. In fact, it's too bad that groups can't make the decisions for the country."

WILSON BACKS INDUSTRY

Crane asked if Wilson thought the group could make better decisions than the Government makes.

"That's their record for the last 4 or 5 months," the witness replied. "In fact, I think the way the country's been kicked around in the last 4 or 5 months is a crime."

Before Wilson resumed his testimony, Trial Examiner Gerard D. Reilly told union attorneys that a finding that GM failed to bargain in good faith would not insure back pay to the 175,000 production workers on strike since November 21.

Shortly after the NLRB hearing began on January 28, a union attorney said the UAW-CIO felt the Board should award the men back pay for the time they had been idle. Reilly pointed out the union does not charge a lock-out and does not accuse GM of refusing to take the strikers back. Those who were the only two cases, he said, in which the NLRB might hold they were entitled to back pay.

As the Board meeting proceeded, Federal Labor Mediator James F. Dewey continued his efforts to bring GM and the UAW-CIO together again in the wage and contract dis-

pute. There have been no joint sessions since Walter P. Reuther, UAW-CIO vice president, rejected a GM offer of an 18½-cent-an-hour (16½ percent) wage increase last Tuesday.

LAWS RELATIVE TO THE PRINTING OF DOCUMENTS

Either House may order the printing of a document not already provided for by law, but only when the same shall be accompanied by an estimate from the Public Printer as to the probable cost thereof. Any executive department, bureau, board, or independent office of the Government submitting reports or documents in response to inquiries from Congress shall submit therewith an estimate of the probable cost of printing the usual number. Nothing in this section relating to estimates shall apply to reports or documents not exceeding 50 pages (U. S. Code, title 44, sec. 140, p. 1938).

Printing and binding for Congress, when recommended to be done by the Committee on Printing of either House, shall be so recommended in a report containing an approximate estimate of the cost thereof, together with a statement from the Public Printer of estimated approximate cost of work previously ordered by Congress within the fiscal year (U. S. Code, title 44, sec. 145, p. 1938).

Resolutions for printing extra copies, when presented to either House, shall be referred immediately to the Committee on Printing, who, in making their report, shall give the probable cost of the proposed printing upon the estimate of the Public Printer, and no extra copies shall be printed before such committee has reported (U. S. Code, title 44, sec. 133, p. 1937).

DISTRIBUTION OF THE CONGRESSIONAL RECORD

To the Vice President and each Senator, 100 copies; to the Secretary and Sergeant at Arms of the Senate, each, 25 copies; to the Secretary, for official use, not to exceed 35 copies; to the Sergeant at Arms, for use on the floor of the Senate, not to exceed 50 copies; to each Representative, Delegate, and Resident Commissioner in Congress, 68 copies; to the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives, each, 25 copies; to the Clerk, for official use, not to exceed 50 copies; and to the Doorkeeper, for use on the floor of the House of Representatives, not to exceed 75 copies; to the Vice President and each Senator, Representative, Delegate, and Resident Commissioner in Congress there shall also be furnished (and shall not be transferable), 3 copies of the daily RECORD, of which 1 shall be delivered at his residence, 1 at his office, and 1 at the Capitol.

RECORD OFFICE AT THE CAPITOL

An office for the CONGRESSIONAL RECORD is located in Statuary Hall, House wing, where Mr. Ralph L. Harris is in attendance during the sessions of Congress to receive orders for subscriptions to the RECORD at \$1.50 per month, and where single copies may also be purchased. Orders are also accepted for the printing of speeches in pamphlet form.

CONGRESSIONAL DIRECTORY

The Public Printer, under the direction of the Joint Committee on Printing, may print for sale, at a price sufficient to reimburse the expense of such printing, the current Congressional Directory. The money derived from such sales shall be paid into the Treasury and accounted for in his annual report to Congress, and no sale shall be made on credit (U. S. Code, title 44, sec. 150, p. 1939).

Feb
28

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 35*

"DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 1, 1946, for actions of Thursday, February 28, 1946)

(For staff of the Department only)

CONTENTS

Appropriations.....3	Farm program.....13	Property, surplus.....12
Banking and currency.....4	Food subsidies.....8	Rice shortage.....5
Bankruptcy.....2	Housing.....1,7	Small business.....6
Dairy industry.....11	Labor.....11	Transportation.....9
	Price control.....10	

HIGHLIGHTS: House debated Patman housing bill, which provides for price control and subsidies. House passed bill to continue Farm Bankruptcy Act. House Rules Committee reported resolution to waive points of order on agricultural appropriation bill. Rep. Larcade inserted rice-company letter urging release of rice and stating that control of shipments, as suggested by Secretary Anderson, would not remedy situation.

HOUSE

1. HOUSING. Continued debate on H. R. 4761, the Patman housing bill, which authorizes price control and subsidies (pp. 1799-1823). Agreed, 145-88, to the committee amendment terminating the bill on June 30, 1947, rather than on December 31, 1947 (pp. 1799-1806). Rejected, 29-143, a motion by Rep. Rankin, Miss., to strike out the enacting clause (pp. 1810-12).
2. FARM BANKRUPTCY. Passed without amendment H. R. 5504, to continue the Farm Bankruptcy Act for 15 months (p. 1824).
3. AGRICULTURAL APPROPRIATION BILL. The Rules Committee reported without amendment H. Res. 536, waiving points of order on this bill, H. R. 5605 (H. Rept. 1673, Feb. 27)(p. 1790).

BILLS INTRODUCED

4. BANKING. H. R. 5630, by Rep. Hays, Ark., "to amend section 5155 of the Revised Statutes with respect to the establishment of branches by national banking associations." To Banking and Currency Committee. (p. 1826.)
H. R. 5581, by Rep. Bunker, Nev., to repeal provisions of the Internal Revenue Code imposing a tax upon transfers of any interest in silver bullion. To Ways and Means Committee. (Feb. 25.)
H. R. 5582, by Rep. Bunker, to remove maximum prices on foreign and domestic silver. To Banking and Currency Committee. (Feb. 25.)
H. R. 5585, by Rep. Bunker, to fix the weight of gold and silver, etc. To Coinage, Weights, and Measures Committee. (Feb. 25.)

*Digest 32 should have been numbered 32-33, and Digest 33 should have been numbered 34.

5. RICE SHORTAGE. Rep. Larcade, La., inserted a La. State Rice Milling Co. letter urging that more rice be released for home consumption rather than export it for relief purposes when other foods might well be substituted (pp. A1083-4).
6. SMALL BUSINESS. Extension of remarks of Rep. Kefauver, Tenn., citing statistics to show that small business has not fared badly in recent years as evidenced by the decrease in bankruptcies (p. A1084).
7. HOUSING. Speech in the House by Rep. Sabath, Ill., favoring the Patman housing bill, H. R. 4761, with an amendment to place price ceilings on existing houses (pp. A1086-7).
Rep. Gavin, Pa., inserted an Oil City (Pa.) Derrick editorial calling the Wyatt housing plan "merely one of lip service", and urging that private industry be given a free hand to remedy the housing shortage (p. A1095).
Rep. Shafer, Mich., inserted Dr. Willford I. King's statement criticizing the Wyatt housing plan (pp. A1097-8).
Extension of remarks of Rep. Auchincloss, N. J., opposing the Patman housing bill, H. R. 4761 (pp. A1100-1).
8. FOOD SUBSIDIES. Rep. Wasielewski, Wis., inserted a Milwaukee (Wis.) Journal editorial opposing the continuing of food subsidies (p. A1097).
9. ST. LAWRENCE WATERWAY. Rep. Wasielewski, Wis., inserted his statement before the Senate Foreign Relations Committee supporting this project (pp. A1098-9).
10. PRICE CONTROL. Rep. Tibbott, Pa., inserted a Johnstown (Pa.) Democrat editorial criticizing the OPA's record in expediting price appeals (p. A1101).
Rep. Stevenson, Wis., inserted a Wis. Retail Lumbermen's Assn. protest against OPA policy on lumber prices (pp. A1089-90).
Rep. Outland, Calif., inserted a citizens' petition urging the retention of the OPA (pp. A1096-7).
11. DAIRY INDUSTRY; LABOR. Rep. Bizley, Okla., inserted newspaper articles which report the case of a Conn. dairy's going out of business because of labor union demands (pp. A1101-2).
12. SUPPLUS PROPERTY. Rep. Stewart, Okla., inserted a constituent's letter criticizing the administration of the Surplus Property Act (pp. A1093-4).
13. FARM PROGRAM. Rep. Forend, R. I., inserted the transcript of a round-table conference of the Southern New England Farm and Home Show at which the farm program and agricultural problems of that region were discussed (pp. A1102-4).

oOo

COMMITTEE-HEARINGS ANNOUNCEMENTS for Mar. 1: S. Agriculture, cotton; S. Foreign Relations, St. Lawrence waterway; S. Atomic Energy (ex.); H. Appropriations, deficiency (ex.); H. Banking and Currency, OPA extension; H. Expenditures, surplus property (Royall); H. Insular Affairs, Philippine rehabilitation (McNutt); H. Ways and Means, social security; H. Post-War Planning (ex.).

oOo

For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. WOODRUFF asked and was given permission to extend his own remarks in the RECORD.

Mr. RIZLEY asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. JONKMAN asked and was given permission to extend his own remarks in the RECORD.

SPECIAL ORDERS GRANTED

Mr. BRYSON. Mr. Speaker, I ask unanimous consent that on Monday next, after all other business and any other special orders, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the legislative business of the day and any other special orders, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. LAFOLLETTE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include two addresses which he made.

Mr. AUCHINCLOSS asked and was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. STEVENSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an Associated Press release printed in the LaCrosse Tribune, of LaCrosse, Wis., on February 24, under the title "Retail Lumber Men Blame OPA for Building Material Shortage."

Mr. BENDER (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his own remarks in the Appendix of the RECORD.

Mr. MICHENER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. FORAND asked and was given permission to extend his remarks in the Appendix of the RECORD and include a round-table conference held under the auspices of the agricultural interests in Rhode Island.

Mr. HOFFMAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts.

CALL OF THE HOUSE

Mr. PATMAN. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 37]

Adams	Curley	Peterson, Ga.
Allen, La.	Daughton, Va.	Randolph
Almond	Dawson	Reece, Tenn.
Baldwin, Md.	Douglas, Calif.	Reed, N. Y.
Baldwin, N. Y.	Eaton	Rivers
Beall	Fernandez	Robertson,
Boren	Fisher	N. Dak.
Bradley, Mich.	Gardner	Robinson, Utah
Brumbaugh	Gifford	Roe, N. Y.
Burgin	Gwinn, N. Y.	Schwabe, Mo.
Byrne, N. Y.	Hart	Short
Camp	Holmes, Mass.	Slaughter
Cannon, Fla.	Jarman	Starkey
Cannon, Mo.	Keefe	Taylor
Carnahan	Kerr	Thomas, N. J.
Case, S. Dak.	Landis	Tolan
Chapman	McGregor	Vursell
Chelf	Morrow	Walter
Chenoweth	Murphy	Weaver
Chipewfield	Murray, Tenn.	White
Cole, Kans.	Norton	
Courtney	Patrick	

The SPEAKER. On this roll call, 364 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read, as follows:

Committee amendment: On page 2, line 25, strike out "December 31" and insert "June 30."

Mr. PATMAN. Mr. Chairman, I desire recognition on this amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

DEVASTATING AMENDMENT

Mr. PATMAN. Mr. Chairman, this amendment goes to the heart of the bill. To my mind, it is a devastating amendment and will scuttle the Truman-Wyatt housing program.

If you will take the bill as reported by the committee, at the end of page 2 you will notice "December 31, 1947," was stricken out, and the words and figures "June 30, 1947," inserted instead. That means that this will end on June 30, next year.

We know it is going to take some time to get this bill passed—if it is passed—probably 60 days. That means that the law will be effective only about 1 year. On some things 1 year would probably be enough, but on house building it is

not enough. It takes time to build houses. If you put a termination date in here, June 30, 1947, it means that all these contractors will get priorities on their materials, they can be building on their houses, and they can see the end of the law coming in a few weeks from the time the houses will be finished. What is the natural thing for them to do? The natural thing for them to do is to slow up and wait until the law has expired so they can sell the house for which they have had priorities to build at any price on earth they are able to get. They will be able to get two or three times what the houses are worth.

So a vote for this amendment, to my mind, is a vote to scuttle the proposal by President Truman at the request of Mr. Wilson Wyatt. They cannot do this job in 1 year or 18 months' time. The program is predicated upon 2 years. It is scheduled, it is planned, all plans are formulated for a 2-year period, to build 2,700,000 houses. If you adopt this amendment you will scuttle the Truman-Wyatt proposal to build houses for veterans of World War II.

EVERY MEMBER INTERESTED IN VETERANS

I am assuming, and I know it is right—there is no doubt in my mind about it—every Member of this House is interested in veterans. No one has a monopoly on doing things for veterans; we are all for the veterans. The veterans assume that. They are not writing and wiring Members of Congress because they assume that we are familiar with the critical housing shortages that are existing over this Nation, and they expect us to do what is necessary to alleviate that housing shortage. We are all for the veterans equally, every one of us.

PRESIDENT TRUMAN'S PLAN

All we want to do is to pass a law that will come nearer getting the job done. Now we have this plan. Weeks of time were spent on formulating this plan. It is a plan of the President of the United States. He says that he wants 2 years, and he says that anything less than that is not sufficient; anything less than that will scuttle this legislation. So a vote for this amendment, in all seriousness, is a vote against an effective housing bill. For this reason I hope the amendment is voted down.

Mr. BROWN of Georgia. Mr. Chairman, I move to strike out the last word.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I am afraid the statement of the gentleman from Texas is a little confusing. He said this was a committee amendment. It is true that this amendment was in the original Patman bill, but by an amendment offered by me we defeated it and we struck out the provision that this bill should expire on December 31, 1947. My amendment limited the bill to the 30th of June 1947.

The reason for this limitation is that OPA has been extended only for 1 year. The present bill before my committee today proposes to extend OPA until June 30, 1947.

What is in this housing bill? It contains controls similar to certain con-

trols in the OPA bill. A new Congress will be here on January 1, and can take a look at the housing situation early next year.

Let me say that the committee voted for my amendment and I am still supporting the bill as reported by the committee. I want to say to my friends that two other amendments will be offered as committee amendments, but in reality they are not committee amendments. They were stricken out by our committee. One deals with subsidies and the other with ceilings on old houses.

Mr. Chairman, if you do not stand by the Patman bill as reported by our committee and vote down the amendments now offered by some members of the committee who voted for the bill as reported, then you are likely to have your bill defeated.

I ask you: Why should we extend the operation of this housing bill longer than we extend the operation of OPA? It is part and parcel of the same thing, and you are only transferring some of the authority relative to ceilings to the Housing Authority from OPA. I feel therefore that both should expire at the same time, and neither should be extended for more than 12 months.

Miss SUMNER of Illinois. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I wish to call the attention of the House regarding this bill which the gentleman from Texas is trying to disclaim and call the Truman bill. The gentleman from Texas is always trying to say that industry will hold back and not produce in the hope of having the controls removed. Industry, of course, does hope controls will be removed.

I call your attention to the statement made by the gentleman from Texas on page 366 of the hearings. He accused the lumber mills of the South of producing at only 50 percent of capacity for the same reason he has stated here, that they were trying to hold back part of their production until control is removed. The gentleman from Texas said:

They only produce so much timber a year, anyway, and I can see how one would possibly reason that "I now have just so much timber to cut, and the less I cut now the more I will have to cut when price controls and restrictions are removed, and if I cut it now, I will get so much for it, whereas if I wait, I will get a much higher price for it."

You see, it is the same argument. He said to Judge Collet, the stabilizer:

I wonder if that is entering into this picture in a very large way?

What do you think the stabilizer said? He answered, and you will find this in the hearings right here, that he had investigated that situation thoroughly and he concluded:

The estimates varied in different mills, of course, very largely, but answering your question specifically I did not reach the conclusion that there was any deliberate withholding on any appreciable scale of production for the reason that you mentioned.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last three words.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, this amendment of the committee to reduce the term of this bill to a mere 1 year's effectiveness goes to the very core of this bill. I think we would be playing perhaps the worst trick in the name of the veterans that this Congress could play to advertise throughout the length and breadth of this Nation of ours that we are going to give preference in materials, preference in expediting the construction of veterans' houses, and in exchange for that help to be given to private builders to build these houses, we keep controls on just long enough for these houses to be ready for sale. Then we would remove all the price ceilings and veterans purchase preference that were intended to protect the veterans right when the homes became ready for sale. The builders will get a great deal of help and benefit out of the priority for veterans' houses. They are building them on a close margin. They are trying to put these houses out under HH priorities to keep the ceilings down to a cost that the veteran can pay. Now comes the committee amendment which would take off all controls on prices, all controls even for those houses that are to be sold to the veterans for which priorities were given for the construction, taking all these controls off on June 30, 1947, about the time that most of the houses will come to the market for sale.

If this committee, if the Congress, wants to work a trick like that in the name of the veteran, take scarce materials and channel them to builders, then not even require the homes to be sold to veterans or require them to be sold at a reasonable price to veterans, then pass this committee amendment and you will do that.

Any reasonable man knows this bill cannot get through and be signed by the President under about 60 days. You know the difficulties and the delays that will be occasioned in getting the mass of housing for veterans ready. You also know that by fixing the date for the end of all powers in this act as June 30, 1947, you will be taking away the very protection to the veteran for which you have given special priority and special treatment to help solve their problems. Shorten the life of this bill, and you help the builders but not the veterans.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Kentucky.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 35 minutes, the last 5 minutes to be reserved to the chairman of the Committee on Banking and Currency.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I think it is again necessary for us to point out that H. R. 4761 as here presented is not the administration's housing program. I bear correction in this if I am

in error. So far as I know, this bill was reported on the noon of a day when the President announced his housing program that evening. At the time the bill was reported, which was after 12 o'clock noon, I interrogated our chairman and asked if it would be in order to make a point of order against reporting the bill, in view of the fact that the House was in session. The chairman sustained that. I said, "Well, I am not going to make a point of order against reporting the bill." But I felt then, as I have found out since, that the committee was in error in reporting the bill at that time before the administration announced its housing program. I wanted to get that into the RECORD. This is not the administration's housing program as set forth in this bill, so far as I know, and I hope that will stick now.

With respect to the expiration date which the gentleman from Texas [Mr. PATMAN] has asked to be placed as of December 31, 1947, I am opposed to extending the date to that time. I am in favor of the committee amendment which lets it expire as of June 30, 1947. I hope and I still believe that there will be a Congress in session here the first 6 months of 1947. Certainly, it will be a new Congress.

Now, there will be an effort made to extend the OPA until June 30, 1947, and there is every reason on earth, in my opinion, why these two propositions should run jointly, if they are going to run. Therefore, I hope that the amendment to extend the time to December 31, 1947, will be defeated. As I have said before, this proposition is part of the web and woof of the fabric of all of these economic controls. There is no way that you can separate the OPA from this bill that we are considering. It is a part of the same approach.

The argument is continually made here, "What have you Republicans to offer besides subsidies?" Now, just this morning we had before us the president of the Federal Reserve Bank of Boston, Mr. Ralph Flanders, head of the Committee for Economic Development. And, do not misjudge the proposition; that committee has some standing in this Congress and in this country. Mr. Flanders recommends that OPA be extended only until next March 31, 1947. Quoting him directly, he says:

I do not think that business can live with price control in its present form for another year. We must modify it so that it can live and be lived with. It should be liberalized and streamlined to reduce delays, inequities, and obstacles to production. Four changes are needed:

- (1) Extend the area of automatic, self-assigned pricing with OPA review.
- (2) Base prices on actual costs, not forecasts.
- (3) Vigorously and positively seek out the areas in which ceilings may be suspended.
- (4) Raise the standards for price relief to prevent profit squeezes which deter production and discriminate against enterprise.

Then he proceeds to point out that we have got to do some other things besides setting up these controls to control inflation. He points out that we have got to correct this fiscal policy if we are going to get anywhere, and that OPA cannot do this job alone. Now, that is

something in opposition to just subsidies.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Mr. Flanders also said that in extending the act we should specifically write into it a provision for permanently terminating OPA March 1947.

Mr. CRAWFORD. He takes the position that now is the time to serve notice that control must be done away with, so let us have these controls run concurrently if we are going to let them run at all.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I desire to discuss H. R. 4761, the bill introduced by the gentleman from Texas [Mr. PATMAN] and reported to the House by the Committee on Banking and Currency. This bill adds a new section to the National Housing Act and its professed purpose, as expressed in the caption, is to prevent speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes. The bill has been severely criticized by members of the committee which reported it to the House. The gentleman from Michigan, Representative JESSE WOLCOTT, ranking Republican member of the committee, and Democratic Members of the House are outspoken in their denunciation of the bill. In effect, they have said that its provisions, if they were not a tragic assault on the liberties of the citizens of this country, do not arise to the dignity of respectable nonsense. Many Members of the House feel that it should be sent back to the committee and that the real-estate dealers of the country, the builders of the country, and various veterans' organizations and men of long and practical experience in the production of building materials and the building of houses should be heard by the committee, to the end that a bill may be reported to the House that will enable the manufacturers of lumber, brick, cement, steel, and other housing materials to produce and sell at lawful, living prices the materials that are absolutely essential to the building of a house. The first section of the bill starts out by declaring that an emergency exists; that the facilities for housing large numbers of the population are lacking and that large numbers of veterans of this war are returning to civilian life in need of housing accommodations; that houses are not available for the veterans; and that it is necessary for the health and safety of the people that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing.

We all know that there is a shortage of houses in this country and that not only civilians but thousands of returning veterans are anxious to buy or rent homes. The fallacy and weakness of the proposed measure is expressed in its own words. The bill proposes that all facilities of the United States Government be made avail-

able and coordinated to obtain a maximum amount of housing. The United States Government is top-heavy with governmental facilities. The Federal Government has established the National Housing Agency, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, the Federal Housing Administration, the Federal Public Housing Authority, the Civilian Production Administration, the guaranty of home and farm real-estate loans to veterans of the Second World War, under the terms of which a veteran may obtain a loan on a home or a farm guaranteed by the Government up to a maximum of \$4,000. And last, but not least, we have the OPA, heretofore headed by Mr. Chester Bowles and now headed by Mr. Paul Porter. It has been pointed out in the debate on this bill on Wednesday of this week by the able Representative from Iowa, Mr. PAUL CUNNINGHAM, a veteran of the First World War, that the passage of the Patman bill as reported to the House will in effect repeal title 3 of the GI bill of rights which is the title authorizing the above guarantee loans to veterans up to \$4,000. Representative CUNNINGHAM then charged, and no one offered or could offer a successful contradiction of his charge, and I quote him: "This is not a bill to aid the veterans, but, on the contrary a bill that will hinder the veterans." The fact is that under the amended bill of rights loans are now being made to veterans without the hindering, confusion, and delay that will be brought about by the enactment of the Patman measure. We have had all all of these Federal agencies with their tens of thousands of confusing and unworkable directives, orders, interpretations, and attempted explanations of the bewildering red tape with which they have bound and strangled the industries in this country which produce lumber, brick, cement, and all other building materials since the war began in 1941. The incompetency and bull-headed stubbornness of these governmental agencies have produced in this country "confusion worse confounded." What justification is there for anyone thinking that the bureaus and the bureaucrats who have dried up the source of building materials in this country can or intend to cure the intolerable situation with which they have crushed and destroyed the building of homes in this country? This bill, if it becomes a law, will be a humilitative expression by Congress of its lack of faith in itself and in the people of the Nation.

Even making all due allowances for the fact that lumber in unprecedented quantities was required in the war effort, the fact remains that throughout the length and breadth of the land sawmills have been put out of business, foundries which produce soil pipe, plants that make plumbing materials have been reduced in number and output. The production of all building materials has been curtailed by the unworkable rules and regulations of the Office of Price Administration and other kindred governmental bureaus and agencies.

The deck has been reshuffled and Chester Bowles has been kicked upstairs to the Office of Economic Stabilizer and Paul Porter has been made head of the OPA. And it is now proposed, through the provisions of the Patman measure to create the office of Housing Stabilization, to be headed by a Director of Housing Stabilization. This new director is to be appointed by the President by and with the advice and consent of the Senate, at a salary of \$12,000 per year. This director is well named. He is to be called the Director of Housing Stabilization. If he functions according to his name he will make permanent and add to the present confusion in the building industry, and the present inability of anyone to build who desires to build a home in which to live or rent.

This housing stabilizer is given the power to appoint an unlimited number of employees and to fix their salaries. He is given the power to undertake to formulate a program. By this bill the Congress surrenders to the super-bureaucrat sought to be created by the bill the power of Congress to legislate not only for this proposed new department but for all Federal departments and agencies which have power relating to housing. He is given the unprecedented power to require a citizen of this republic who deals in, sells, rents, buys, offers to sell, rent or buy, any house, to furnish to him information under oath or affirmation, to make and keep records and to make reports with respect to every deal, sale, rental, purchase, or offer to sell any housing accommodation. He is given the power to invade and ransack the privacy of such person's papers, their records, and to invade the home of any such person. He is given the power to issue subpoenas to require any citizen in the land engaged in any deal with respect to a house which he proposes to build, or which he owns and desires to sell or rent to appear and testify in some kangaroo court and to produce all of his papers at any designated place. In other words, under this unprecedented delegation of legislative power, this czar it is proposed to set up by this measure, may yank a citizen from New York to San Francisco, or from Detroit to Miami, or to any other remote place in the country where such citizen is to be put through the third degree authorized by this measure. For any refusal of any citizen to obey such subpoena the autocrat set up by this measure is authorized to go into any district in which such person is found or resides, or transacts business, and to compel his compliance with such subpoena. Under the drastic and unprecedented provisions of this measure such citizen may be required to testify even though such testimony would incriminate him. And the despot created by this bill if he sees fit may disclose such information wrung from his victim.

Under section 704 of this bill the housing czar may set and freeze prices or rental on any citizen's home that he now owns or that he may build for the purpose of sale or rent.

The provision that the dictator thus created shall advise and consult with

representative members of industries affected by any regulation or order he may make is innocuous and meaningless because it is left to his discretion whether he shall so consult with people who know about the building industry, or about the value of lands and the value of houses or what are just and equitable rental charges. Under this section of the bill the Director created by it may forbid the citizen to sell and rent his property without the dictator's permission and a certificate that the proposed sale price or rental conforms with the whim and caprice of the man clothed with these unlimited powers. And it places intolerable further restrictions upon any subsequent sale of the property. The czar proposed to be created by this bill is given the power over all of the housing industries of this country to say to whom and for what price they shall be permitted to sell their product. This section gives the dictator further power to issue orders, directives, and decrees having all the force and validity of laws enacted by the Congress, and to make these orders, decrees, and regulations promulgated by him and his subordinates applicable to all other agencies and departments of the Government which have anything in the world to do with the production and selling of building materials. Under the powers conferred upon the dictator, he can prevent a veteran who has bought a home and who wishes to sell it from selling it for a profit. He has the power to fix or freeze the price of building lots as well as building materials. Under section 705 of the measure he may force every producer of, and dealer in, building materials to sell his materials to any person or persons designated by the dictator. A provision in this section that veterans shall have preference is meaningless because a reading of the proposed measure discloses that there is not a syllable or a provision in it that provides for the increase of production of building materials.

Section 706 makes it unlawful for any citizen to violate the terms of any regulation or order issued by the dictator. And it is further provided that even after the expiration of this proposed law a citizen who it is claimed has violated any of the rules or regulations promulgated by the czar may be pursued, harassed, prosecuted, and condemned in the courts of the country.

Section 707 permits any person aggrieved by any action of the dictator to hire a lawyer and go into court to protect himself against any injustice that may be inflicted upon him. This is small consolation to the citizen who has been deprived of his rights to dispose of his property at a price which any other citizen is willing and able to pay for it.

The provisions of this act are violative of the fifth amendment to the Constitution which provides that no person shall be deprived of life, liberty, or property without due process of law; and that private property shall not be taken for public use without just compensation.

This proposed measure by one fell swoop pushes aside all the provisions of the law providing for the taking of private property for public use and giving the citizen whose property is to be taken

from him the right to a trial with respect to its value before a court and a jury of his peers.

Section 708 of the act gives the dictator power to go into court and enjoin the free and lawful disposal of his property and the rental of it by a citizen for a price which he deems just and fair and which another citizen is willing to pay. For a violation of any rule, or regulation that the dictator may promulgate a citizen shall, upon conviction, be subject to a fine of not more than \$5,000 or to imprisonment of not more than 1 year, or to both such fine and imprisonment.

By section 708 of the measure it is provided that any citizen who violates any regulation or order of the czar in the selling or renting of his property may be sued in an action for three times the amount of the consideration for which he sells or rents his home. And if the purchaser or renter of the citizen's property does not bring this action the czar may bring it on behalf of the United States. It is thus seen that the czar created by this measure has more than the power of the Gestapo and that he may put to the sword any citizen of this country who has been guilty of the crime of success or who undertakes to improve his condition by the legitimate construction of houses and the rental and sale thereof. This bill is outstanding in its lack of faith in the people of this country and in its expression of disbelief in our system of free enterprise by free men and free women in a free country under the law of the land. The vast majority of the houses and the homes of this country have been built under our system of free enterprise. It is time that the people of good sense realized that production is the key which has unlocked the vast natural resources of this country and fashioned them into the materials out of which houses are built.

In the name of countless emergencies created by bureaucrats themselves Congress has heretofore been induced to surrender the vast powers with which the far-flung bureaucracy in Washington has hamstrung and bound with red tape the productive ability of the people of the Nation. We may well exclaim "Oh, emergency, what crimes have been committed in thy name."

And then the sponsors of this bill are attempting to use the veterans as a stalking horse to accomplish this assault on free enterprise. Since when did our returning veterans become the wards of those who are seeking to saddle from now on upon the backs of the American people the intolerable restrictions that have stopped the production of building materials in this country? These returning veterans are not children and they do not wish to live within the suffocating confines of a bureaucratic straitjacket. They did not come home from the war which they fought and won to preserve American freedom to be put in leading strings by self-appointed guardians in Washington. They are men, full grown, trained and battle hardened, who have come home to take their places in the rebuilding of America and to participate in the re-creation and revitalization of free enterprise and constitutional government in this country.

Be it said to the everlasting credit of the American soldiers who have fought and won all our wars that when they have come back from the camp and the battlefield they have taken their place as citizens of this country like the waves melt back into the sea.

The proposal to subsidize the building of homes means that homes shall be built for the few at the expense of the many. The proposal of this measure forcibly calls to the minds of the people of this country that "eternal vigilance is the price of liberty." Our Government was set up by our forefathers and has been maintained by their offspring for the protection of the people of the Nation against foreign aggression and for the protection of the citizens against the fraud and violence of the lawless elements of society. Yet from the beginning the citizen has been forced to defend his liberties against the creeping paralysis of unlawful governmental control of his daily life.

The President has named Mr. Wilson W. Wyatt, of Louisville, Ky., a lawyer and a former mayor of Louisville, as Housing Expediter and head of the National Housing Agency. He is without any experience whatever in the manufacture of building materials or in the building industry. And yet he has been telling everyone since he was clothed with his unprecedented powers that he approaches the performance of his gigantic task with optimism and with enthusiasm and he is going about the country speaking pieces that have been written for him by bureaucrats in Washington who do not believe in our system of free enterprise. The thirst for power and for its unbridled exercise by men clothed with a little brief authority has plagued the human race from the dawn of history to this good day. Once they get it, they never want to surrender it. Power feeds upon itself and when those who seize it or to whom it is delegated get it in their hands, they, like Oliver Twist and the fisherman's wife, cry for more and more and more.

I know from constant contact with the producers of building materials and the builders of houses in my district that the OPA, through its senseless rules and regulations and exercise of price control, have set a ceiling price on lumber that makes it impossible for lumber producers and lumber dealers to comply with the law and produce and sell lumber at the prices fixed by bureaucrats here in Washington.

The man has never been born of woman who can come to Washington and surround himself with a board of theorists and run and regulate the diverse and complex business of this country carried on throughout its vast reaches, by different men at different costs, and under different conditions. These bureaucrats cannot agree among themselves. Bowles and Snyder testified that living costs will not rise and yet Mr. Marriner Eccles, Chairman of the Federal Reserve Board, testified a few days ago that the administration's new wage-price policy would in all probability force an increase of 10 percent, resulting in an over-all increase of 40 percent above prewar levels. The men who thus have a strangle hold upon

the industry of this country, and who unblushingly proclaim themselves prophets, were never heard of until they were clothed with the vast powers they are now exercising. Chester Bowles was in the advertising business in Connecticut. Paul Porter received his industrial and business training in a Federal office in Washington, and Mr. Wyatt proudly prophesies that, if he is clothed with and can exercise the vast powers he is seeking to exercise over the building industry, he can bring about the construction of 2,700,000 houses—low-cost homes for veterans—within the next 22 months. Just how did he arrive at this round and stupendous figure? Can he call up houses from the "vast deep," and if he calls, will they come? He further claims that failure to enact this proposed measure will cost veterans 3,000 homes per day. Why 3,000 instead of 3,001 or 2,999? The truth of it is these men are talking through their hats. Not one is a prophet. No one of them has ever shown his credentials. Not one of them is even adorned with a beard. All of them are smooth shaven.

No one of them has ever proposed a constructive, workable plan for increasing the production of building materials without which houses cannot be built.

Let us bring in and pass a measure that will free the industries producing building materials. Let us recapture the vast powers delegated to the President and the executive agencies that have been and are being used to throttle free enterprise. When we do this the veterans and all others who are without homes will sooner get them than under the stumbling, fumbling bureaucrats who are grabbing for a perpetuation of their misused powers.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, first of all let me restate the proposition which is before the House. The committee, by a majority vote, suggests that the power which is afforded under this bill terminates on June 30, 1947. The gentleman from Texas, and I think the gentleman from Oklahoma, my friend Mr. MONRONEY, feel that the power ought to be extended. The burden of the argument is that there is not time enough to bring this program into effect. In that connection the gentleman from Oklahoma [Mr. MONRONEY] pointed out it may be 60 days before this bill can be engrossed and become law. Let us see what the gentleman from Texas said to us yesterday. In response to a question propounded by the gentleman from North Carolina [Mr. BARDEN] the gentleman from Texas [Mr. PATMAN] said:

In the Second War Powers Act I think the President has practically all the powers which he has delegated to the present expeditor, Mr. Wyatt, contained in this particular bill, but those powers expire on June 30, that is, of this year.

But he has the power, and whether this bill is ever enacted into law does not make any difference so far as the next 4 months are concerned. He can still proceed until June 30 under the power that the President has already delegated. In fact, Mr. Wyatt is proceeding. In fact,

Mr. Wyatt is probably in Chicago right now addressing the builders' convention. In fact, priorities are being issued. You may have noticed on your desk this morning the monthly report of the Administrator of Civilian Production Administration. I suggest that you read it. It is a very heady and very informative document. On page 18 of that document, he says:

Since January 15 when P. R. 33 became effective applications for H. H. preference ratings have been filed covering more than 125,000 housing units.

That is in the last 30 days. Do not let anyone delude you as to whether these powers are being articulated. Already for all practical purposes, the Expediter is on the job. So we can figure the time from now until June 30, 1947. That should be enough. The proposal, of course, to carry these powers until the 1st of January 1948 indicates only too clearly what is in the wind; the War Powers Act must remain on the books. The war has come to an end or at least hostilities ended in August 1945 but there will be an effort to continue and perpetuate these powers and to continue the emergency in this country. Then what will happen to freedom and the free enterprise system, to free markets, and the free method of doing business in our country? Let that control harden for another couple of years and then you will be at pains to ever get rid of them and to shake it out of the economy of the country. It seems to me my two good friends on the other side make the best case against this kind of a bill in its present form better than anyone else. They stand here and freely confess that you cannot articulate this program in that space of time and that is a confession that it is not going to work. If I had faith in the pending bill as commensurate with the high and abiding faith that they ought to have, I would feel certainly that by June 30, 1947, which is 14 or 15 months from now, that there would be a flow of material. There would be a flow of houses; and in proportion as the production is finally placed in full swing, it should have its impact upon ceilings, upon controls, upon regulations, and upon directives so that it would not become necessary. It is in effect now.

There is nothing in this argument that it is going to take time to get this bill on the statute books because these powers are on the books at the present time, in the hands of the Commander in Chief.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MONRONEY. If this amendment is agreed to and a house is completed in August 1947 will a veteran, under your plan and under the committee amendment, have any priority to obtain that house?

Mr. DIRKSEN. Let me ask the gentleman from Oklahoma whether by June 1947 or August 1947 in your judgment, you will not have made sufficient progress in order to get rid of these controls and bring this to a conclusion? Then, if not, why have a bill at all? We might just as well forget the debate and the argument first as last.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(Mr. JENNINGS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Michigan [Mr. JONKMAN] is recognized.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield.

Mr. CRAWFORD. It might be well to ask the gentleman from Oklahoma [Mr. MONRONEY] what the situation would be as of June 30, 1964, if the program is still in operation and houses are under construction that have not been completed. It would apply just as well then as June 30, 1947.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. JONKMAN. I yield.

Mr. MONRONEY. I think if we have priorities and the assistance hereafter provided in this bill, and amendment, we will do something to solve this in 2 years. But if we follow the program advocated by some Members of this House, it will be 1967 before we have any veterans' housing.

(Mr. JONKMAN asked and was given permission to revise and extend his remarks.)

Mr. JONKMAN. Mr. Chairman, last Saturday night Paul A. Porter, the new Administrator of OPA succeeding Chester A. Bowles, made a speech which was referred to and quoted in the newspapers as his opening address as Administrator and may, therefore, be called his declaration of policy.

The newspapers quoted Mr. Porter as making the following significant statement:

Permit me to emphasize that in spite of what you may hear to the contrary, OPA is not in receivership. I have not assumed the job of a liquidator. OPA is a going concern with a faithful and loyal staff that has done much for America and is going to do more.

In this statement Mr. Porter seems to take the position of the successor of Solomon who, when the people came to him to ask that he ease the burdens that had been placed upon them by Solomon, replied:

I will add thereto, and you will find that my little finger will be as big as my father's loins.

If this is to be the policy of the OPA under Mr. Porter, and it seems to have been under Mr. Bowles, then it is contrary to every expectation of the Congress and the American people, to my way of thinking. The objective of OPA at the present time is generally expected to be the reestablishment of a free economy. OPA's status at the present time, therefore, is a receivership.

Shortly after Japan's agreement to surrender, President Truman made the following statement:

The Government has a major responsibility to assist in the achievement of an orderly transition from war production to civilian production.

Now, while there might be violent disagreement on whether this orderly transition can be best accomplished by a direct return to a free economy as

against a controlled economy, there can be no question that the price-control economy is certainly, under the statement of President Truman, not to mention the intent of Congress, temporary and a receivership for the return to a free economy.

Further, if OPA is a receivership, then it must also follow that Mr. Porter is a liquidator; whether the liquidation takes 6 months or 18 months is immaterial. He is and must be a liquidator. As such he must be seeking as rapidly as possible the return of industry and production to a free economy, piecemeal or otherwise.

However, the third statement of policy by Mr. Porter that OPA is "a going concern with a faithful and loyal staff that has done much for America and is going to do more," goes very much further than a mere denial of the fact that OPA is a receivership, and that he, Porter, is a liquidator. It boldly states that OPA and its personnel is a going concern. It must follow, therefore, that OPA seeks continuous and perpetual existence. Now, on what basis can OPA seek and expect continuous and perpetual existence? Certainly, not for the temporary expedient of bringing us from a wartime-controlled economy back to a peacetime free economy. As a going concern OPA can have no other objective than the perpetuation of price control and a controlled economy, or, to put it bluntly, to change the free economy in peacetime which we have enjoyed for 150 years to the controlled, collectivist economy which is foreign to the American way of life and to all our free institutions. Here we have, then, in one short paragraph, an ultimatum as to the destiny of this Nation under the New Deal.

It is true that each time proponents seek new or extended favors from Congress to further rivet their shackles on the American people they pretend to seek eventual restoration of free enterprise at such time, they say, as supply shall equal demand in the market.

But the above paragraph of Mr. Porter, as well as their actions, do belie their tongue. We have only to remember the citrus-fruit fiasco of last November. Although the citrus-fruit industry asked OPA to take price control off citrus fruits in July, when supply was equal to demand, OPA steadfastly ignored them until when?—the 17th day of November, when the Valencia orange crop was about consumed and the navals would be a few weeks coming in. This, of course, is an annual occurrence, and causes an annual tightening of the market and prices at that time. So OPA chose that time of all times of the year to lift control of prices on citrus fruit. Even then the result was increased prices above the ceiling only for the choicest fruit in certain localities, while the general market remained away below ceiling prices. But the Bowles-Hitler propaganda mill was all set for publicizing all over the country what they knew must follow, even though it was very negligible. All the press was fed simultaneously with a flood of propaganda about the outrageous increase in the price of citrus fruits, the thorough failure of lifting price control, and the dire need of immediately slap-

ping price controls back on, which, of course, was done automatically.

OPA never gave it a chance to work. They were afraid to, for we are told that adjustment would have been automatic with the passing of the strong holiday trade demand for the choice fruit. Supposing that OPA had given it a fair trial, would anybody have been hurt considering the fact that that risk involved the first step back to economic freedom? Couldn't the people who made their great sacrifices to win a war take the risk of this first step also for the achievement of what we fought for?

But when is supply going to equal demand in our present economy if, as Porter says, he is going to hold the "present price line in spite of 'terrific pressure' to break it"? What causes that "terrific pressure" against his price line? It is the American public with a purchasing power of two hundred and seventy-five billions, hitting that line for consumer and durable goods, while the price line itself is stifling and starving production of those very things, thereby intensifying the pressure.

Everybody who thinks at all knows that the two elements which threaten us with inflation—and have already brought a serious inflation upon us—are printing press money and lack of production. I do not want to go in the administration's fallacious financial policy creating the first part of this inflationary situation. But, as I said above, the American people have one hundred and twenty-five billions of demand deposits and currency, three times the amount of 1940, one hundred billions of Government bonds, eight times the amount of 1940, and fifty billions of savings, or twice the amount of 1940, and they want to spend a goodly part of these sums for goods.

But before they can do this, the goods must, of course, be produced. And there will be no production to speak of if it must be produced at a loss to the producer. And the less we produce the greater will be the "terrific pressure" of this tremendous purchasing power for this reduced volume of goods. And yet, in spite of increased cost of raw materials and wages, as well as overhead, OPA has been telling thousands of small industries, "you produce at 1941 prices or you can go out of business." OPA stifles the only answer and remedy it has against inflation when it thus stifles production, all the while scaring us to death with its loud howling that its status as a going concern is necessary to ward off future inflation. How does OPA, how does the administration get away with it? The answer is as I said above, the power of propaganda. The gentleman from California [Mr. PHILLIPS] referred to it a few weeks ago as "the Hitler-Bowles method," and taken from *Mein Kampf*, page 108:

What we mean by the word "public opinion" depends only to the smallest extent on the individual's own experience or knowledge, and largely on an image, frequently created by a penetrating and persistent sort of so-called "enlightenment."

The "enlightenment" of the American people under this method has been OPA propaganda thunder about the terrific

danger of threatened inflation while actually creating that very inflation.

Just take the housing bill, under consideration today, which is misleading the GI's and the general public with an apparent attempt to create housing, to allocate materials, and even to provide subsidies, as well as to keep down prices for this purpose. But what is the good of allocating, of subsidizing, and keeping down prices if the building materials are not in existence or produced? What we need is thousands of sawmills now idle, thousands of manufacturers of hardware now closed, thousands of manufacturers of plumbing fixtures now nonproducing, get into production so there will be building materials wherewith to build, and to allocate, if allocation be necessary.

And who is closing these sawmills, hardware manufacturers, and plumbing supply producers? Nobody other than OPA with its asinine "hold the line" stone wall; OPA, which can thrive and survive as a going concern only in a price-control collectivist economy as against these hundreds of thousands of small producers. They can thrive and survive only in a free economy, as they have for a hundred and fifty years, in a demonstration of the greatest economic success in the history of the world.

The American people, by this Hitler-Bowles planned propaganda, are being misled into the most colossal fraud and the most colossal collapse in the history of nations.

Let us examine another phase of this propaganda.

When, about 2 weeks ago, the news broke about the new wage-price policy or stabilization policy that purported to settle the steel strike, the newspapers in streamer headlines announced "Chester Bowles Wins Smashing Victory." Now, the truth was that Chester Bowles, and the entire administration leadership which had preached warranted wage increases without price increases, had suffered a smashing defeat. Irresistible Bowles had met the immovable basic steel industry—and all industries are immovable without profit incentives—and was himself smashed.

But such is the power of propaganda, the power of those who control that propaganda, and therefore the power to rule the thinking of the people, that in the public mind they can propagandize defeat as victory.

Chester Bowles had decreed that there would be no increase of prices for steel, neither \$4 a ton nor \$2.50 a ton, nor anything. "We're going to hold the line." Yet the price of steel was allegedly raised \$5 a ton. I say "allegedly" for the news of this was so soft-pedaled that few people know the fact. This was, of course, to more easily put over the "smashing victory" propaganda.

There followed the time-honored New Deal shuffling of masks, but the offices and personalities and ideologies went right on without a ripple.

Like all dictators, they could not afford to let the public know of this smashing defeat. Chester Bowles had held the line against smaller units of the economic body, destroying them, cutting off ears, toes, and fingers, and even feet and

hands, and what have you. To them he had said, "We can do without you and if you cannot produce at 1941 prices, we will just cut you off and leave you to die."

In other words, the hundreds of thousands of smaller concerns, each standing alone, or at best in insignificant groups, could not withstand the terrific, deafening and devastating barrage of OPA and other administration propaganda artillery that was directed against them. They just folded up when attacked.

But the steel industry, the basic industry spread over the entire country; and woven into the warp and woof of our entire economy, was too much for the OPA propaganda machine to shell and destroy. And so, when it met defeat, OPA uses its barrage to cover a retreat without disclosing its smashing defeat.

Public opinion must not have a chance to lose faith in the Bowles ideologies. So what actually happened was smoke screened with a lot of "it is said" and "Government officials believed" news, and "Chester Bowles has won a smashing victory," instead of "Chester Bowles was defeated on all fronts." So Chester Bowles pulls himself, his associates, and his ideologies together and proceeds with his destructive program, through a new WSB, a revived OES, and new OPA Administrator, and still in full control of the propaganda mill. Chester Bowles knows the secret of power. As one of my constituents wrote me this week, "Power now lies in the control and dissemination of publicity, the control of newspapers, periodicals, radio stations, film-making concerns, the movies. Power is with those who control the press, the movies, and the radio. They are the ones who rule."

Mr. Chairman, that power controls even Presidents. That power controlled President Truman when, more than a month in advance of the General Motors strike, and several months in advance of the steel strike, he reluctantly joined the Bowles-Davis-Snyder-Wallace propaganda mill in proclaiming the doctrine that wages, which according to the National Economic Conference Board, constitutes 85 percent of prices, could be raised substantially without increasing the prices themselves, a doctrine which has now been factually smashed by the increased price of steel.

And then think of this one after the increase in the price of steel. Quoting Edward T. Folliard in last Sunday's Washington Post:

President Truman, asked if a new price line had been established, said that, no, it was simply a bulge in the old one. If everybody cooperated, he said, it would be possible to prevent a break-through.

How simple, how naive. A price increase to the basic industry that must be passed all along the line and affects all the rest of the line, is not going to affect that line, but will simply remain a bulge in the line. Figure that one out if you can. All the processors of steel and users of steel in manufactured goods are expected to cooperate and do what the basic industry could not do, and the bureaucrats did not dare to compel them to do. They did not dare to compel Steel to operate at a loss. They knew it would

be fatal, and fatal to all industry. And OPA is not quite ready to take over the whole economy, although it did reach the discussion stage.

I suppose OPA will now again begin to lop off limbs, toes, and fingers from the body of our economy, for the OPA must continue to operate as a going concern, whatever may happen to the smaller free enterprises as going concerns.

Mr. Chairman, if we could have an administrator functioning with due regard for the earliest possible return of a free economy; one who would realize that OPA is a receivership, and that he is a liquidator of war-necessitated controls, I think the informed American people would go along with him.

Such an administrator would eliminate all controls, including the maximum average price program, that stand in the way of legitimate production. He would grant producers a price sufficient to manufacture prewar quality goods at current costs with an opportunity for profit.

Without these minimum requirements, OPA is a menace to our economy, and to the country. With Paul A. Porter at the head of OPA, under his aforementioned declaration of policy, we are heading for confusion, chaos, and collapse.

The veterans as well as the public are willing to pay what their purchases, of whatever nature, cost, and they should not be misled into a belief of allocation and price control of things that simply do not exist, and are not in production.

The CHAIRMAN. The gentleman from Michigan [Mr. WOLCOTT] is recognized for 5 minutes.

Mr. WOLCOTT. Mr. Chairman, if I remember correctly, I offered this amendment in the Committee to reduce the time from December 31, 1947, to June 30, 1947; and it was done for the purpose of giving the Congress as much control as it could possibly get under the circumstances of all these so-called emergency programs.

You must bear in mind that for some years now many of us have been opposed to making permanent these emergency controls, and I believe the House recognizes now that if the amendment which was offered and defeated by only a few votes on the extension of OPA to cut the continuance of OPA down to December 31, 1945, instead of June 30, 1946, had passed, this House would have been assured of an opportunity last fall to have rewritten the bill to fit OPA into the reconversion program. We do not want to make the mistake again of losing jurisdiction over this emergency legislation to the extent that we are not assured of periodic reviews.

I am a little disappointed in the speech that Mr. Wyatt made in Chicago yesterday. Mr. Wyatt used about the same language in respect to much of the program that the gentleman from Texas used this morning with respect to this particular amendment. The gentleman from Texas said that we would be scuttling the housing program if this amendment were adopted. Mr. Wyatt said in Chicago, as reported in the press this morning, that every day of delay in the Congress was preventing the construction of 3,000 homes. I believe he also

said that if we did not subsidize the acquisition of building materials that that would scuttle his program. It seems that every part and parcel of the Wyatt program is going to be scuttled unless we give him every iota of the program which, of course, anticipates the passage of the Wagner-Ellender-Taft bill which is not before the committee, not before the House, and will not be for some weeks to come.

There is absolutely no authority contained in the bill as reported out which Mr. Wyatt does not have at the present moment except veterans' preferences; and he has had this authority ever since the directive of January 28.

The President has had the authority to delegate this authority to somebody for years. So Mr. Wyatt makes the mistake of blaming the Congress for delaying the program. If through inaction there is a failure to build 3,000 homes a day the responsibility today is that of the Expediter, the fault is his in not using the broad powers which have been delegated to him. He has the power under the directive to raise the prices of building materials to get the maximum amount of production. The President had had the authority since 1942 to pay subsidies to acquire a maximum amount of material. Since the passage of the War Powers Act the President, and now Mr. Wyatt, has had the authority to direct every department and agency of the Government to effectuate Mr. Wyatt's or the President's program. So we cannot be blamed, of course, for any delays in connection with this program, and I hope Mr. Wyatt will not make the mistake of blaming the Congress for any failures which appear up to the present moment to be the result of his own inaction. Mr. Chairman, why are we not getting building materials? It is not the fault of the Congress that we are not getting building materials. We have vested in the President and the President has vested in Mr. Wyatt now all of the authority contained in the emergency acts or in any of the war acts and Mr. Truman, the President, and Mr. Wyatt now, has all of the authority which has ever been delegated to the President to carry on the war in order to break the bottle-necks.

I hope Mr. Wyatt will not again make the mistake of blaming the delay in this program on the Congress of the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK] for 5 minutes.

Mr. McCORMACK. Mr. Chairman, I do not think any criticism of Mr. Wyatt is justified or that there has been any inaction on his part. If I have ever met a dynamic figure it is Mr. Wyatt. I can remember about 2 weeks ago a conference held in the Speaker's office, which was attended by Mr. Wyatt in order to see representatives of both parties. It was my impression after that meeting that there was only one real issue in dispute and that was the question of ceilings on the sale and resale of property. Certainly Mr. Wyatt has been very active. I do not think there is any justifiable criticism of the Congress to date; but the criticism will be justified from

now on if we do not pass an effective act to meet the acute emergency situation that now exists.

The amendment now before us was adopted, as I read from the newspapers, and I therefore quote the newspapers, a solid Republican vote and by a few of our Democratic Members who I am sure misunderstood, temporarily, I hope, the situation.

Mr. Chairman, we are confronted with a 2-year program. Why give a man power for 1 year when we have a 2-year program confronting us? The first year there are 1,200,000 units and the second year 1,500,000 units to be built.

It seems to me that the amendment put in by the committee should be defeated in the Committee of the Whole or by a roll-call vote in the House, and I hope that such action will be taken, because to continue this bill for 1 year to June 30, 1947, with a 2-year program in mind, would be in a sense a limited mockery on the veterans of the country and the other deserving nonveterans who will benefit by this bill and the results that flow therefrom if the bill passes.

I am sorry to see in a news item which today appeared in the Washington Post the statement made by the gentleman who wrote the article, and I think he was justified, as follows:

In yesterday's debate it was obvious that the housing measure has developed into a partisan issue.

If this develops, and the vote will soon show, it will be most unfortunate to have partisan politics prevent the passage of a real, workable bill that means so much to our veterans; those who have returned and those who are returning. There are over 16,000,000 persons who have served during the recent war, and they come from every community of our country and from almost every family.

There is a keen interest in this bill, and it is being watched closely, as it should. For some years, some of the Members of Congress, like myself, have fought for appropriations providing for low-cost housing. We were attacked and attacked because we looked ahead and saw the appropriations sharply cut to a mere dribble and we opposed such reductions. We are now suffering from such reduced appropriations. The Members who opposed those appropriations seem to be opposing the program of the administration as set forth in this bill. They are for housing for veterans and others "but"—and that is the trouble, that "but"—which is the difference between success and failure of this bill.

I might also say that I have seen many lobbyists operate in this Chamber and in this body during my 17 years as a Member. Oh, I have seen that old invisible hand operate so effectively; that old voice coming from some place that is indiscernible. But we detect it here, today. One of the most powerful groups that has ever operated in my time is the lobby that is operating against the passage of a workable bill. The very people we are fighting for do not seem to know what is happening and what the lobby is doing. It has worked secretly for several weeks. I saw it coming. But it has worked so secretly that it was only within the past

2 or 3 days that it has come to the surface with full force.

Yes; I hope that partisan politics will not be injected into this matter, and I sincerely hope that this lobby, one of the most powerful lobbies that I have ever seen, with its pocketbook appeal against the best interest of the veterans, will not be successful.

I hope this amendment will be defeated and that the committee provision will be adopted. I also hope that premium payments will be included in this bill because that is also necessary for the successful operation of this law.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close debate.

Mr. SPENCE. Mr. Chairman, we are considering this bill under an open rule. The Banking and Currency Committee asked for an open rule. Any germane amendment can be offered and considered. Are we going to say at the very opening of the consideration of this bill that we want to deny to the people for whom we are attempting to get the housing that is necessary, any opportunity to obtain that privilege after a year from June 30, 1946? There has been comparison made between the contemplated housing organization and the OPA, but no analogy can be drawn between those two organizations. I have no doubt that before long consumers' goods will become adequate to meet the demand. When that is done probably the controls can be removed on a great many articles, and eventually on all of the consumers' goods. But it is generally recognized that the shortage in housing cannot be supplied for years to come. No one contends that next year or the year after there will be adequate housing in the United States.

I assume we are all for the objectives sought to be achieved by this bill. Are the gentlemen to my left merely the opposition party? Are you opposed to consideration under reasonable conditions of a bill that is meant to give relief to the American people? Are you at the outset going to say that you do not want this agency to continue longer than a year? Will not that be a confession that you not only are opposed to the bill but have no constructive measures of your own to submit for a condition that exists, a frightful condition, the settlement of which means so much to the American people, to the returning veterans, and others? The lack of housing in the United States is acute, and everyone knows it. It will be more acute when our returning veterans get home. What are we going to do? Are we going to take no action? Where are the materials going unless some restrictive measures are passed? Those engaged in the building materials business will seek the profit field. No money profit comes to the owner from a home. While the home is the most necessary thing in America, it does not bring a man a profit. It is a source of expense. The amusement field, the theaters, the moving picture shows, the billiard halls, and other buildings of that type will get all the material, because they are built for profit, and those who build them can pay the highest prices.

It will be some time before this program gets under way. It will be 2 or 3 months, probably, before it gets well under way. Then before the conclusion that is definitely set in the bill there will be a period of weakening and disintegration of the organization because those who are employed by it and those who are subject to it will know that it will be discontinued at a definite time.

Why is the Congress so afraid of giving this expediter power that will last a year and a half? By the very terms of the bill the Congress can take away that power by a concurrent resolution. It can be done by the act of the Congress itself. It is not subject to veto.

I implore you not to weaken the bill, not to say at the very commencement of the consideration that you do not want to consider it in fairness and in a desire to achieve the objective sought.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

Mr. ROE of Maryland. Mr. Chairman, I ask unanimous consent that the committee amendment again be read.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk again reported the committee amendment.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. PATMAN and Mr. GALLAGHER) there were—ayes 109, noes 76.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SPENCE and Mr. WOLCOTT.

The Committee again divided; and the tellers reported there were—ayes 145, noes 88.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 3, line 3, strike out the word "act" and insert "title."

Mr. PATMAN. Mr. Chairman, this is just a corrective amendment. I do not think there is any opposition to it.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. O'NEAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, no law is better than those who are to administer it. All of us in our experience in business know that unless a business is handled properly it is of little avail.

I rise at this time to pay a brief personal tribute to a citizen of my city and my State, a close personal friend, a man for whom I have the greatest respect and confidence, Mr. Wilson Wyatt. I rise to tell the membership of this House something of this man, because its administration is highly important. No matter what kind of law you pass, if he is not sound, able, intelligent, and honest, the law will accomplish little good.

Wilson Wyatt came to my home city from the rural districts of Kentucky.

His life was not dissimilar to that of many other great men in American history. He came there and, through his own efforts, went to college and equipped himself with a splendid education. He was taken into a leading law firm. The business of this firm was largely corporation law. He went into that firm without friends, influence, or anything except that which was in Wilson Wyatt. He became a member of the firm and one of the most trusted members in that firm, and one of the most able and prominent lawyers in my community.

Like a good citizen he always took interest in public affairs. He made but one mistake. When I made my first race for Congress I wanted him to manage my campaign, and he agreed to become my campaign manager. That is the only serious mistake he had made that I know of; and he was so competent that even with the handicap of the candidate he had he managed to bring victory to the Democratic Party.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. O'NEAL. I yield.

Mr. VOORHIS of California. I am sure there are 434 other Members in this House who would disagree with the gentleman from Kentucky that Mr. Wyatt made a mistake in that instance.

Mr. O'NEAL. I appreciate that very much.

Wilson Wyatt, from a monetary standpoint, left the practice of law under a great hardship to accept the mayoralty of my home city at a salary of \$5,000 a year. There is not a man of either political faith in my home city who will not testify that we have not had an abler executive in the mayor's chair and perhaps any place else in my home city than Wilson Wyatt. No one has ever taken over a job with more zeal, nor applied himself with more energy and ability than did he; and he has left the city of Louisville with the respect and admiration of the people of my home city. He did not care to come to Washington, he wanted to retire to his own business and take better care of his personal affairs; but he has a high sense of public service, and he came to Washington as a matter of duty although he well knew from long experience that a man who takes over such a job is in for a hard time when it comes to unjust criticism. My sympathy has gone out so many times to the so-called bureaucrat. As a Congressman I have had criticism, as have all of you, but for a bureau executive, a man who holds a job in Washington, it is next to impossible to escape unfair and unjust treatment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. O'NEAL. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. O'NEAL. I would assure my friends in the House that if a job like this can be done it will be done by this man Wilson Wyatt. I assure you that if you are seeking a public servant who will be honest, faithful, energetic, intelligent,

and fearless that no mistake has been made in choosing this young man from my home city, Wilson Wyatt.

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. Under the rule are we considering the bill as one section?

The CHAIRMAN. There is just one section in the bill.

Mr. DIRKSEN. That means that all the committee amendments will be considered before any other amendment may be offered?

The CHAIRMAN. The gentleman is correct.

Mr. LANHAM. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

(Mr. LANHAM asked and was given permission to revise and extend his remarks.)

[Mr. LANHAM addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. LANHAM asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when I noticed some time ago that the President had appointed a lawyer, Mr. Wyatt, to build houses on a national scale I was reminded of a little incident that happened last year when I walked into a room where there was a hearing being held in connection with the manufacture of paper. They had there a man who was in charge of the national paper program and he had been cutting logs, getting them into the paper factory and turning out paper. When he could not answer questions he just cracked up and said, "Well, gentlemen, I do not know. I am a glass blower."

That is about what we can expect of this lawyer when it comes to building houses.

This bill should be defeated. The only thing this bill will do is set up another Government bureau with offices in every community with thousands of Government employees. It will never produce houses. There is just a certain amount of material available, and that is what it takes to build houses. There is just so much material available to build those houses, and the builders that have always been doing that work should be permitted to build them and the Government should confine itself to making it possible for that material to be made available. Many houses would be reconverted right now, yes, thousands and thousands of houses would be reconverted right now if only the various bureaus of government could agree and let the people reconvert their houses, and that could be done quickly in a few weeks time. Now they talk about training carpenters. Why, they do not need to train any carpenters. Just give us the material to work with, and the carpenters we have will soon have a lot of houses built. This is just some more regimentation, more red tape wrapped around one of our great industries.

The best evidence that I have that the Government does not need to go into the building business and that our local builders are capable of building houses is the information I received today about a small contractor in York, Pa., who, with meager supplies, is completing houses at the rate of four per week. There are 24 in this project and will sell at \$5,000 per home.

Yesterday we heard the story about the Gateway Manufacturing Co., a company that wanted to manufacture door knobs. After going through Government red tape for 6 months trying to get the green light, they decided that they were not going to make door knobs, and that is just the thing that is going to happen to our whole building program. There will be just more red tape wrapped around it, and the houses that will be built will be wrapped with red tape, if they are ever constructed.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Has the gentleman read the Wolcott amendment?

Mr. GROSS. No; I have not.

Mr. SMITH of Ohio. The gentleman is not able to tell us then whether the Wolcott amendment does anything more than to set up a new Government agency?

Mr. GROSS. I cannot say but I am going to vote against this bill, because the industry throughout the country that has built the homes in days gone by can build these houses, and is capable of building the houses that we need today. The sooner we get it into our heads that it is necessary to get rid of some of these bureaus here in Washington, the sooner we are going to get down to normalcy. We must push the Government back into Washington where it belongs and we have to make up our minds in this country pretty soon that we have to work and work together. That is one of our greatest jobs in this country, not alone building houses but getting this Nation back to where it belongs. The answer to our problems is production and more production. We must build houses, not Government agencies.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Voorhis].

Mr. VOORHIS of California. Mr. Chairman, I have asked for this time in order to tell the House something which should have been told in a 1-minute speech at the beginning of the day, but for quite proper reasons the Speaker did not recognize anyone for that purpose today. But there are some boxes of very excellent oranges back in the cloak rooms. I want to tell the House that they were sent to the Congress with the compliments of Mr. Harry Damerel, one of the finest citizens in the Twelfth California District, and therefore of the United States who hopes, as I do, and as all other orange growers in our section do, that the Members will enjoy them. We also hope that the time will come when every single child in America will

be able to have either a fresh orange or a glass of fresh orange juice every day for we know what that would mean for the health of the Nation. I also want to tell the House that I am quite sure that after you have had a chance to eat these oranges you will agree that we have the very best oranges that are grown any place in the world.

Mr. ROBSION of Kentucky. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, none of us has a monopoly on sincere interest in our veterans. Many of us who do not agree with the Patman bill have sons and daughters who have been serving our country that have returned and are returning. My only son returned last Sunday after 4 years' service. I do not yield to any man in my interest in behalf of the defenders of this country and their dependents; in fact, I have never voted against any measure that was helpful to our defenders and their dependents.

Of course we desire that our veterans have adequate housing. We differ as to the best plan to secure these houses. We are told there is an emergency. We have heard nothing but emergencies for the last 13 or 14 years. We have had one emergency after the other. Under the Roosevelt and Truman administrations there has been no time that we have not had some great emergency. We are never out of one emergency until we are in two or three more.

In their first great emergency we had too many pigs and mother sows and therefore we would have to burn and kill many millions of these. We had too much wheat, meat, corn, and cotton, and other agricultural products and therefore they said it was necessary to pay the people to plow up and destroy their crops and cut out thirty or forty million productive acres. I did keep count of the emergencies until we had more than 50 so-called emergencies.

We have had several since that time and now they say we are threatened with other emergencies in housing, food, clothing, butter, and so forth.

Unfortunately every time the administration has undertaken to deal with one of these emergencies they have hurt and not helped the situation; they have not relieved conditions; they have increased the debt and tax load of the American people, have further regimented and further upset the economic life of the Nation.

The housing shortage is not due to lack of laws or powers or to lack of authority to expend money. It is due to the scarcity of building materials, and this scarcity has been brought about by the blighting influence of the bureaucracy here in Washington. We have prevented production. We have through the years traced our scarcity of meats and lard, butter, sugar, clothing, and many other commodities, largely to the unwise New Deal policies of the Roosevelt and Truman administrations. We

have prevented production of building materials. The records are full of facts showing that thousands of producers of lumber are now idle, not because they desire to be idle but because of the regulations and directives of men sitting here in Washington, many of whom do not understand and are not fitted for the jobs they are undertaking to do.

Our good friend from Louisville, Mr. O'NEAL, expresses great admiration for the man he terms his "dear friend, supporter, and constituent, Hon. Wilson Wyatt," who has been appointed expediter for the housing program.

It is only natural that the gentleman from Kentucky [Mr. O'NEAL] should speak in that vein, and no doubt he speaks sincerely. I am not quarreling with our colleague the gentleman from Kentucky [Mr. O'NEAL] for that. He states that Mr. Wyatt came up, as many other great men have. I know of no achievement of Mr. Wyatt that would properly class him as one of the great men of the Nation. They do claim that Mr. Wyatt is a good lawyer, and I have no quarrel with that. Mr. Wyatt's friends claim he is a good lawyer and that he represented corporations, including the Louisville Street Railway Co., and he was elected mayor of the fine city of Louisville.

Does that qualify him to put a ceiling on 28,000,000 homes in the United States that have already been built? Does it qualify him to build 2,700,000 more homes, or to direct the expenditure of billions of dollars including six hundred million in subsidies to start with, or to be a czar over the allocating of billions of dollars, of thousands of different kinds of materials and to exercise autocratic control over all the homes built and that may be built and the many thousands of producers of these materials and equipment?

I am looking into the faces of many Members sitting before me today who have reached distinction in the legal profession in this country and who are recognized as great lawyers throughout the Nation—men who have won much more fame as lawyers and in executive positions than Mr. Wyatt. It does not necessarily follow that they have the training, experience, and executive ability, to become the autocrat and czar of the entire material and housing businesses, which includes the production and allocation of materials and the construction of 2,700,000 homes and placing ceilings on 28,000,000 homes already built.

I do not agree with my distinguished colleague the gentleman from Kentucky [Mr. SPENCE], who is chairman of the Banking and Currency Committee and has charge of this bill. In the course of his remarks the other day he referred to Mr. Wyatt as an able lawyer. The gentleman from Iowa [Mr. JENSEN] inquired if that qualified Mr. Wyatt for this position as expediter of this great program and the gentleman from Kentucky [Mr. SPENCE] stated that it did; and even expressed in general terms that he would prefer that type of man for this position to someone who had had experience in the housing field.

Mr. JENSEN. Does Mr. Wyatt know anything about the building industry? Has he ever had any experience in building homes?

Mr. SPENCE. I do not know.

Mr. JENSEN. It takes one with experience more than an attorney to build homes.

Mr. SPENCE. I do not think so.

Mr. JENSEN. Doesn't the gentleman think it would help?

Mr. SPENCE. No.

It is my information that Mr. Wyatt has never built a house for himself or anybody else. If there is anyone here who knows of his building a house for himself or anybody else I wish he would speak up.

It is urged that Mr. Wyatt was elected mayor of Louisville and that he made a good mayor. He was elected mayor and served from 1941 to 1945. It is not my purpose to question whether he made a good mayor or did not make a good mayor. I understand the facts to be that Mr. Wyatt, after he had been mayor 4 years and had become the most powerful man politically in his party in Louisville, could not run himself for reelection; but with his influence in his party he was able to select the Democrat candidate for mayor—I understand a very able and splendid man—and he was able to help select the 12 Democratic candidates for aldermen and the candidates for city offices and for the county of Jefferson.

The Democrats carried Louisville in 1944 by more than 20,000 majority. The Republicans elected all 12 of the aldermen—including 1 colored man—in 1945, and elected practically all of the city and county officials. Mr. Wyatt was elected mayor by a big majority in 1941.

As we have heard, Mr. Wyatt was the attorney for the street railway company in Louisville before and at the time he was elected mayor; but he resigned his connection with the street railway company. He urged and did what he could, as I understand it, to have the Board of Aldermen of Louisville pass an ordinance for the city of Louisville to buy up the street railway system. He was unable to get the ordinance passed. This was one of the issues in the campaign of 1945.

Of course, he had the aid of thousands of Democrat city, Federal, county officials, and Democratic workers in the city of Louisville, and he had the backing of the leaders of the Democrat Party of Kentucky, and he had the benefit of all the millions of dollars that had been spent in Louisville, and he had the two great daily newspapers—the Courier-Journal and the Louisville Times—backing his candidates. Yet the election resulted, as I have stated, in electing 12 Republican nominees for aldermen, and an overwhelming majority of city and county officials. Mr. Wyatt's candidate for mayor did go through with a majority of fewer than 230 votes.

Of course, the voters of Louisville knew Mr. Wyatt and his record as an executive, and they passed on the question.

I merely call attention to these facts for whatever bearing they may have on Mr. Wyatt's executive ability and his ability to undertake the execution of the tremendous powers and the expenditure of billions of dollars that will be involved, the production and allocation of billions

of dollars of every kind of material that enters into the construction of buildings, and the equipping of buildings. We must take it as true that Mr. Wyatt has had no experience in this particular field. I am not here and it is not my purpose to in any way reflect upon the character of Mr. Wyatt. I concede that he is now, and has been since he became mayor of Louisville, in full sympathy with the policies of the New Deal.

Mr. RANKIN. Do you mean he drove the Republicans into the black market in Louisville?

Mr. ROBSION of Kentucky. He must have done something. It was a disastrous upset for Mr. Wyatt and his Democratic friends in Louisville, and a very unusual victory for the Republicans.

You know the gentleman from Kentucky [Mr. SPENCE], the chairman of this great committee, as I have stated, on being asked what the qualifications of this man were to build houses, stated that he was a good lawyer.

Mr. SPENCE. The gentleman was a very distinguished lawyer and I understand he had one client who paid him \$25,000 which would indicate that he was a man of some intelligence and judgment.

Mr. ROBSION of Kentucky. I have said nothing, and it is not my purpose to say anything, that will reflect on Mr. Wyatt. He may have had this client which, I understand, was a street railway company. They were not engaged in the building of houses or in the production of building materials or equipment. His services as an attorney had nothing to do with bringing together tens of thousands of large and small producers of lumber and other materials for constructing houses, or in bringing together the millions of person who would be involved in one way or another in the construction of 2,700,000 homes, and in putting a ceiling on 28,000,000 homes already constructed.

I challenge anyone to show that Mr. Wyatt ever built a house for himself or anybody else. The press carries a statement from Mr. Wyatt indicating that he has in mind to train 1,500,000 people to put over this job. Yes, if we give him all this power handling billions of dollars' worth of materials and equipment and give him six hundred millions for subsidies to start with, as provided in the Patman bill, he may put this number on the Government pay roll; but I predict now that he will have several times more people on the pay roll than he will have houses built.

According to the telegrams and letters and the statements of various building organizations of the country, we have thousands of sawmills shut down, we have thousands of processors of lumber idle, contractors are idle, and so are carpenters. We must get these thousands of sawmills and processors and contractors and carpenters and mechanics into action and get all these people back into production. That is the answer which will build houses and bring about prosperity. It cannot be done if the blighting hand of bureauc-

racy continues to harass and throttle private enterprise and have these activities carried on by inexperienced men like Mr. Wyatt here in the city of Washington.

THE POWER AND THE MONEY

Under the Second War Powers Act, the Price Control Act, and other legislative enactments, the President, and through him, his Expediter, Mr. Wyatt, and Mr. Bowles, OPA Administrator, have all the powers and more than would be granted in the Patman bill to secure materials and equipment and allocate them; build houses, equip them and put a price ceiling on them. The President has had this power which he could and can delegate to Mr. Wyatt, Mr. Bowles, or any other person or agency of the Government since 1942. All hostilities ceased in Europe almost a year ago and hostilities ceased in the Pacific 6 months ago. This emergency housing shortage existed more than a year ago and has ever since but no real action has been taken by the administration to meet these conditions, and now Mr. Wyatt and some of his associates are meeting and saying that in a short time they are going to begin discussions about housing shortage and how to meet it. But for the fumbling of the administration, the housing program would be well on in production. Now Mr. Wyatt tells a group in Chicago, according to the press on yesterday, that every day the Congress delays in passing this Patman bill we lose the building of 3,000 houses. Congress has not delayed action. This statement is amazing in view of the fact that Mr. Truman, Mr. Bowles, and Mr. Wyatt have all the powers and more than this bill proposes to give to them in the way of allocation of materials and equipment, payment of subsidies and fixing of ceiling prices. Why have they not been active? This Patman bill will be a great disappointment and Mr. Wyatt is already looking for alibis.

Why is there a shortage of lumber and other building materials? It can be laid to the OPA and the administration as well as Mr. Wyatt. It has been proved beyond the question of doubt that in many instances the OPA has fixed the prices on finished lumber lower than the rough lumber itself cost. They have fixed such prices and such onerous conditions on the producers of lumber as to close down, not hundreds but literally thousands, of sawmills and other producers of lumber and plants that are processing lumber and other equipment for housing construction. They refuse to fix a price that will enable these thousands of large and small concerns to continue in business. They had to close down, and this stopped construction. It had even a more disastrous affect on building-materials equipment than the OPA prices had on meat, clothing, butter, and other products. They refused to permit those who understand the production of lumber and materials to carry on their work. They insist on running the business of this country, both large and small, through this powerful bureaucracy here in Washington. They claim to be the friends of free enter-

prise, but their policies day by day are strangling private enterprise to death. The attempt made in this bill is to give Mr. Wyatt authority to fix prices and allocate materials and price ceilings which he already has. Mr. Bowles of the OPA has the authority, and we are just setting up another great and powerful bureaucratic OPA.

If this would start the wheels of industries, put to work contractors, carpenters, and mechanics, and build houses, I would be willing to try it, but it will have the opposite effect in the house-building program as it has had on everything else in this country. This crowd of bureaucrats, who are in control, want to extend this authority to December 31, 1947. They are mad for power and more power. They are unwilling to surrender the powers they already have. The war is over, but they want more power and the war powers they have extended.

The question arises, When will the American people be permitted to carry on their affairs under the Constitution and in the American way? With few exceptions, the 28,000,000 homes and other buildings have been constructed under private enterprise, and if we ever have a real building program it will have to be done by experienced men and women under free enterprise and not under the heavy and blighting hand of bureaucracy. These Government agencies have created a black market in everything, and their policies have created a black market in lumber materials and equipment.

THE VETERANS

I was here following the last war in the administration of President Wilson, and many projects and programs were proposed in the name of the veterans and patriotism. Our veterans must have homes at reasonable prices. They are entitled to preference, and there is plenty of law without this autocratic measure to provide for such homes, and the American people will provide such homes if they are given a fair opportunity to do so. Whoever heard of the Government being able to produce a home or any other article at a cost as low as the cost would be if such home or article was produced by private enterprise? These homes that will be produced by the Government will not measure up in quality or in price with those produced by private enterprise. The soldiers and everybody else will pay more and get less value.

We now have a great army of civilian officeholders of 3,500,000 or more here and abroad. This bill creates another new and powerful bureaucracy, duplicating the work of other agencies of the Government, and no one can tell how many tens of thousands of officeholders will be added onto the backs of the veterans and the American people. I am in favor of giving preference in the way of allocation for homes for veterans and in giving them opportunities to build their homes. There are literally thousands of veterans who have been and will be engaged in the lumber and equipment business, and tens of thousands who are contractors, mechanics, and carpenters

and who understand the house-building game much better than Mr. Wyatt and other bureaucrats here in Washington.

I was very much impressed by the speech of our colleague Mr. CUNNINGHAM, of Iowa, a World War veteran and a man who has taken special interest in legislation helpful to the veterans, and also the speech of our colleague the gentleman from Mississippi [Mr. RANKIN], chairman of the Veterans' Committee of the House. No men in the House have been more sincere and devotedly interested in the welfare of the veterans and their dependents than these two distinguished veterans. They are opposed to this Patman bill. They say that it would not help the veterans but on the other hand would do them very great harm. They point out that it would take away the benefits of the GI bill of rights to the veterans in the way of securing loans and securing homes. There are other veterans of World War I and World War II who are opposed to this Patman bill. We must not permit ourselves to be stampeded into giving these bureaucrats this tremendous power over all the building material and equipment industries and the construction of these homes and place ceilings on 28,000,000 other homes already built in the name of the veterans and, at the same time, set up another powerful bureaucracy in Washington that would cost billions of dollars of the taxpayers money and in the end be paid at least in part by the veterans themselves.

Mr. Bowles and Mr. Wyatt, if they desired, they could fix a fair price on lumber and a fair price on these houses that are built for the veterans and others. They do not have to have the Patman bill do that, and they even could extend subsidies. Unless the Patman bill is very substantially amended so that we may have assurances that they are going to build houses with these tremendous powers and these billions of dollars instead of building up a great bureaucracy and political machine, I shall be compelled to cast my vote against the bill. It now looks as if the Patman bill will be overwhelmingly defeated. It is such measures as this that has prevented production in this country of the things that the American people need and has encouraged increase of prices and inflation.

(Mr. ROBSION of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. RANKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. RANKIN moves that the Committee do now rise and report the bill back to the House, with the recommendation that the enacting clause be stricken out.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that I may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Chairman, there is no use carrying on this shadow-boxing over unimportant amendments to this so-called housing bill.

In my opinion, all the perfumes of Arabia would not sweeten it in its present form.

In my opinion it will drive the building industry either out of business or into the black market.

In my opinion, it will drive every small sawmill man out of business or into the black market.

In my opinion, it will destroy the business of every man who is in the building supply business, or drive him into the black market.

When they go into the black market, then they lay themselves liable to being dragged to Washington, or elsewhere, and punished as a common criminal—or worse.

Now, Mr. Chairman, let us see what this measure means. What the American people want today is to be let alone, so they can build their own houses.

I know every once in a while when I get up here to speak some little pink fellow with a hand about as wide as your three fingers refers to me as a Bourbon, reactionary, a southern aristocrat, who does not know anything about work.

There is probably not a man in this House who has done more hard work at a sawmill than I have. I have been everything from the dust-monkey to the sawyer. I know what a sawmill man is up against. If I were running a sawmill or a building material firm and this bill were passed, I would go out of business. It is bad enough for a man who runs a little sawmill down on the creek to try to make buckle and tongue meet, it is bad enough for a man who buys materials and employs labor and supplies them, to try to make buckle and tongue meet, without being harassed by a lot of bureaucrats, if you please, or "commissars," if you want to express it that way, to dictate to him and to punish him and threaten him and browbeat him at every turn of the road.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. MAY. I happen to have a sawmill of my own that has been shut down for 4 months because I could not understand the regulations of OPA.

Mr. RANKIN. When I worked at a sawmill we used Davies' old arithmetic, and the boys used to say that it "took 10 mills to make a cent." If this measure passes, they may not even make a cent. The little sawmill man will probably be driven out of business entirely.

If the Committee on Banking and Currency wants to cure something, let them go at it in the right way. They talk about preventing inflation. What is inflation? Inflation is an expansion of the circulating medium. I want to show you where we have gone in expanding the currency, right under the noses of the members of the Committee on Banking and Currency. You men who are trying to reverse the laws of nature by acts of Congress or edicts of the OPA or the Housing Authority make me think of old Lightning when he said they sent him out to take a swarm of bees to Arizona. He undertook to walk and drive them instead of taking the queen and putting her in a hive.

When you go out to try to control this country by fixing the prices of thousands and thousands of articles instead of controlling the money supply at the root, to me it sounds perfectly silly. I certainly am astonished to hear men—intelligent men—argue that this bill is a veterans' bill. Do you not think the veterans did enough to win the war without having all this responsibility piled up on them?

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I will yield for a question; but make it brief, for I cannot get any more time.

Mr. HOFFMAN. I will. I hope the gentleman from Mississippi will not feel badly when some of us on this side who want to recommit the bill vote against his motion.

Mr. RANKIN. Now, if you want to run out and hunt a storm cellar, all right; if you are hunting a political black market, that is the way to find it. But I suggest that you stand up and be counted.

Mr. HOFFMAN. Just a minute, now.

Mr. RANKIN. No; I cannot yield further.

Mr. HOFFMAN. If the gentleman will yield, I want to tell him why.

Mr. RANKIN. Mr. Chairman, I cannot yield any further. Why do you not stand up now and be counted rather than running out on the theory they are going to get a motion to recommit? If you want to do that, all right.

Mr. HOFFMAN. Mr. Chairman, I ask that those words be taken down, that we are running out.

Mr. RANKIN. Now, Mr. Chairman, I do not yield.

Mr. HOFFMAN. The gentleman does not yield to have his words taken down?

Mr. RANKIN. No.

Now, Mr. Chairman, let me show you what is going on. Prices in a free country are governed by two things, the volume of a Nation's currency and the velocity of its circulation.

Today the volume of your currency is going up at the rate of \$200,000,000 a month. In 1930 we had \$4,426,000,000 in circulation. Do you know how much we have now? Do the members of the Banking and Currency Committee know how much we have in circulation now? I will tell you what we had on November 30, 1945.

The last statement that came from the Treasury, on November 30, 1945, shows that instead of having \$4,426,000,000 in circulation we had \$28,210,000,000 in circulation; and by now, the amount has probably reached \$29,000,000,000.

Now, you undertake to hold prices down vicariously, and this great volume of printing-press money, if you please, continues to swell. If you do not change the program and go to the root of the trouble you are going to wreck the country.

Mr. HENDRICKS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. For a question.

Mr. HENDRICKS. I would like for the gentleman to discuss how this bill will affect the veterans. That is what I am interested in. Will the gentleman get to that?

Mr. RANKIN. Yes; it will affect him just as it will affect others. It will probably drive him out of business or into the black market.

One of the most ridiculous propositions I have ever heard is the claim that this is a veterans' bill, a soldiers' bill. I challenge any man in this House or out of it to show where he has worked harder or taken more abuse for the veterans of this country than I have.

Here is what you are going to have to do if you want to cure this situation. Do not make it any worse. It will spread the black market all over the country and put building-material men out of business. Do not put every sawmill man out of business.

You can bring in a law here to take over the Federal Reserve System and stabilize the currency at a given volume and require that when it sinks below that volume the Government shall issue United States notes with gold reserves behind it to keep it stabilized at that point, and permit the American people to live and work out their own salvation.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SCRIVNER. Does the gentleman not feel that if this is a veterans' bill it might well have been referred to the Committee on Veterans' Legislation to have studied?

Mr. RANKIN. Why certainly, and it never would have reached the floor of this House in its present form.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. TABER. Would not the effect of the bill be to keep the veterans from getting houses?

Mr. RANKIN. My honest opinion is that if this bill passes it is going to prevent the building of houses for veterans or for anyone else, and will prevent the veterans themselves from building their own houses.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The experts, including Mr. Mowbray, have stated just what the gentleman has said about small builders. On page 104 of the hearings Mr. Mowbray said:

The net effect of this legislation, therefore, would be to help the big builder who has the accounting facilities, the legal advice, and the experience with wartime controls which are necessary. Let me urge, therefore, that in the interest of the survival of the small builder this legislation not be passed.

Mr. RANKIN. Mr. Chairman, I hope the motion is agreed to and that the bill will be sent back to the committee with the enacting clause stricken out.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia [Mr. BROWN] may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, the committee had under consideration the problem of acute housing conditions for almost 2 months. We all appreciate the effect of the critical housing situation.

I know that the Members of the House believe in fair play. The committee has reported a bill. If it is not what you want, let us debate it, let us amend it; then, when we get through, if you do not want the bill, vote it down. I believe in fair play. I do not believe in cutting off speeches on consideration of an important matter as this. For this reason I voted yesterday to give my good friend the gentleman from Chicago, Mr. SABATH, a chance to defend himself. Every man is entitled to the right of fair play and defense, so I voted against the previous question at that time, and gave the gentleman a right to explain his position.

Mr. Chairman, we have reported a bill. There are a number of amendments to be offered and I think we ought to discuss them freely and find out what we want rather than send the bill back to the committee. To do otherwise would not be fair to the committee.

Mr. Chairman, there is a great deal of talk about veterans, and we want to help them. I want to discuss one provision in this bill that will be very helpful to the veterans. That has to do with priorities and allocation of materials to veterans. We must allocate to the veterans a large part of the scarce materials. No one within the sound of my voice is against that provision. Under the present law that can be done, but the War Powers Act expires on the 30th of June. Many people did not believe that the Second War Powers Act would be extended and therefore it was necessary to give some thought to a bill for the extension of the priorities and allocations now.

I took the position all along that down in my section of the country the veterans, under the GI bill of rights, were not going to get any money because the local banking institutions in the small towns will not put up 50 percent of \$3,000 toward building a home.

These loans will have 25 years to run. Eighty percent of these boys that come back do not have any money to build houses, and therefore the position I took before my committee, and which I take today, is that the FHA must build most of the houses for these boys. They can secure 90 percent of the cost of construction through this Agency. There will be introduced, and there exists in the substitute bill offered by the gentleman from Michigan, a provision by which the FHA will be empowered by a billion dollars additional increase to secure mortgages to build these houses. By sending this bill back you are saying to the veteran, "I do not want to help you."

I think every man within the sound of my voice has a right to be heard. This is an important matter, and one of the most important matters that we have ever had in Congress, and we must do something for the relief of these veterans. Do not send it back to the committee and say, "Here it rests for all time."

Mr. OUTLAND. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from California.

Mr. OUTLAND. I was astounded to hear the chairman of the Veterans' Committee of this House say that this bill will not help the veterans. Let us hear from a group of veterans themselves, and I am sorry I do not have the time to quote the statement in full. It was issued this morning by the chairman of the American Veterans' Committee, and I will quote only a paragraph or two to the effect that the veterans and their families in all the communities of the land took heart when Wilson Wyatt, Housing Expediter and National Housing Administrator, announced his program to provide for 2,700,000 homes by the end of 1947. The statement goes on to say that this particular veterans' organization favors this bill and the amendments that will be submitted on this floor.

If this bill is returned to committee, do not tell me that it is not going to be opposed to the veterans of America.

Mr. BROWN of Georgia. I do not agree with the distinguished gentleman about voting for the amendments. We cut out subsidies in the committee. We cut out ceilings on existing homes, and they should be cut out. I am still standing for the amended bill as we reported it from the committee. But I do say there ought to be free discussion, and after we get through, if it is not what you want, then vote it down. The bill can be perfected whereby we can help the veterans of this country, and the only way you can help them in my section of the country is through the FHA guaranteeing 90 percent of the cost of the houses.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from California.

Mr. HINSHAW. I just want to say that I agree with the gentleman entirely. We should continue the discussion of this bill until we are through with it.

Mr. BROWN of Georgia. The gentleman is right.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from New York.

Mr. BARRY. Has any Member of the House who opposes this bill offered any program other than raising ceiling prices?

Mr. BROWN of Georgia. No. I am advocating the bill that we brought from the committee, cutting out ceilings on existing homes and eliminating subsidies, and fixing the time just like we did a while ago. If you want to cut out the powers given to the expeditor, give them to the President. The Expediter has, under this bill, the same powers that the President has under the Second War Powers Act. It might be all right to give the President the power, but we must give those powers to someone in order to allocate the scarce materials to the soldiers of this country whom we are trying to help.

Therefore, if you want to amend it, it is all right with me, but I am against all these proposed amendments, and I do not think the members of the committee who

voted in favor of my amendments in the committee ought to leave me at this particular time. You ought not to offer on the floor those amendments to restore the provisions which we cut out in the committee. Let us perfect this bill to make it workable and one that will really give results to the veterans of this country.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that if we strike out the enacting clause the bill will not only be sent back to the committee but it will be dead for this session?

Mr. BROWN of Georgia. I absolutely agree with the statement of the gentleman from Texas. I want to say to him that we are close friends, almost like Damon and Pythias. To illustrate what I mean, when he left his bill, I took hold of the orphan and am trying to nurture it and give it strength enough to become law.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Michigan.

Mr. DINGELL. Would it not be a good idea if we did vote for the motion in order that we might get a roll call on the question and thus separate the sheep from the goats?

Mr. BROWN of Georgia. I have confidence in the Members of the Congress of the United States, and they are going to approve some helpful bill.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from New York.

Mr. BARRY. The program offered by the opposition, to increase the ceiling prices on materials, offers the veteran as a program a higher cost for a house. Is not that so?

Mr. BROWN of Georgia. I think as far as materials are concerned they ought to be allocated and controlled as long as they are scarce. I am for the principle of controlling the materials, and I do object to ceilings on new houses as long as building materials are so scarce. If you do not control the materials at this time when they are so scarce, none of the soldiers will get any. Let us control these materials and allocate them to the soldiers and build houses for them through the FHA mortgage system. Help me in this effort and defeat the motion of the gentleman from Mississippi [Mr. RANKIN] to recommit the bill, and I will guarantee you that the soldiers and the great majority of the American people will be satisfied.

The CHAIRMAN. The time of the gentleman from Georgia has expired. All time has expired on the pending motion.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that my preferential motion be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk again reported the motion.

The CHAIRMAN. The question is on

the motion offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 29, noes 143.

So the motion was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 6, strike out "act" and insert "title."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 4, line 1, after 703 insert "(a)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 4, line 6, strike out after the word "who" the rest of the line and lines 7, 8, and 9, and the words "to make reports", in line 10, and insert "deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations—

"(1) to furnish information under oath or affirmation or otherwise,

"(2) to make and keep records, and

"(3) to make reports, in respect of such dealings, sales, rentals, purchases, or offers."

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it should be understood that our silence on this particular amendment should not be interpreted as consenting to it. As a matter of fact, the whole section should come out. This section is one of the factors which inspired the introduction of H. R. 5579, which in due course will be offered as a substitute to this bill. This is known as the snooping section of the bill and would authorize the Expeditor or Director, or whatever he might be called, to investigate and inspect the books of anyone having to do with the building industry from the production of building materials to the final sale, including the rental of the property. Of course, it should not be enacted. It gives more authority than should be given to any single individual. I think we should have in mind always that under the Executive order the Expeditor, Mr. Wyatt, has been given more authority to do this job than any other single individual has ever been given in any field of endeavor, except the President himself. Surely we should not vest him with any more authority than has been vested in him by the Executive order. I do not think the House wants to vest in the administrator or expeditor or director these very new and unusual powers, with the right to go into every real-estate office, even to the extent of issuing a subpoena to a home owner if he puts his home up for sale, with the right of going into the private life of a home owner and finding out how much he paid for the home, how much he has invested in it, and everything of that nature. That surely will not encourage the building of homes for veterans or anyone else. I just want to clarify the situation and bring out the fact that we are not mov-

ing to strike out this provision at this particular time because this provision is not included in the substitute which will be offered later on. By the adoption of the substitute we will not be enacting this provision as part of the law.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment changes the language proposed in the original bill. It merely gives the expeditor the power to enforce the act. Of course, we do not like to have enforcement officers around. We do not like supervision probably under certain conditions. But we cannot enforce a law unless the person who is authorized to enforce the law also possesses the power to compel it. We must give him the tools to work with and give him the right to control allocations and priorities and give preference to veterans. Then when he goes to investigate a flagrant case of violation of the law, if he does not have the power to do so, we may just as well not have any law at all. If we are not going to have enforcement provisions, we might as well not have any law.

This merely provides that where a person charged with the violation of the act, the expeditor may cause that person to furnish him information under oath or affirmation. Is there anything unreasonable about that? How else can you enforce a law that involves 29,000,000 existing homes, if you put in the provision for existing housing? How can you supervise the construction of 1,200,000 houses this year and sell, lease, or rent them unless you have the power to require those people who get the priorities, to make a statement under oath as to whether or not they have complied with their promises, which enables them to get these scarce materials? I cannot understand why anybody would oppose a provision that would make it possible for the expeditor to enforce the law.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HARRIS. Would this apply to all houses?

Mr. PATMAN. No. It just applies to the new houses, up to this time. The next is to make them keep records and to make reports. Mr. Wyatt testified there is nothing in this requirement that you do not have in order to fill out your income-tax returns. If this builder who makes a promise to Mr. Wyatt, "If you will let me have the scarce and critical materials, I will use those materials to build residential housing units for veterans of World War II and their immediate families," then Mr. Wyatt would have no power on earth, if this is stricken out, to come back later, when he knows he has violated that promise. Possibly he has used the material to build a race track or an amusement house, but if this language is stricken the Expeditor cannot say a word. He has no power. This is the enforcement provision. It goes to the heart of this bill.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HOOK. Is there any provision at all for hardship nonveteran cases?

Mr. PATMAN. Certainly. Mr. Wyatt has the power, and he will have essential nonveteran cases for commercial buildings or for residential units. It should be an elastic hardship clause, and I am assured it will be. This is not going to be any strait-jacket, that everything should go right down to the veterans. We know that if houses are lost by reason of storms or floods or fires or things like that and there is an emergency, whether any member of the family ever served in any war, he should have the right to get materials to rebuild that home. There are certain commercial problems that are just as important to the veteran as residential housing.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Miss SUMNER of Illinois. Does not the gentleman know that before we started all this communistic stuff they managed to enforce the laws without going into the banks and searching people's safe deposit boxes and making them keep records?

Mr. PATMAN. Of course, if the income-tax records are communistic, then nearly everybody here voted for it. The lady knows more about communism than I do. I am just against it. I am against fascism, too. I am against both of them—both communism and fascism. I am not willing to make one the alternative of the other.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. PATMAN. No; not now, if you please.

So I ask you in all seriousness not to strike out this provision. That would be giving the Expediter power to control materials, the power to let different people have materials for a specific purpose, and then, when he goes to investigate whether or not they have used the materials for that purpose, he would not have adequate power to determine if they had used the materials for that purpose.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BARDEN. I presume the gentleman is discussing the section on page 4?

Mr. PATMAN. That is right.

Mr. BARDEN. Where it says the Director is authorized to require any person who owns, holds an interest in, et cetera—

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Yes; that is it.

Mr. BARDEN. You mean you want all this power and authority vested in Mr. Wyatt, to tinker with every man who owns a house?

Mr. PATMAN. Not tinker with them, no; I am against tinkering with them.

Mr. BARDEN. Why use that phrase, "Everyone who owns"?

Mr. PATMAN. No; that applies only to new houses. The way the bill is written that applies only to new houses.

As the bill is written now that language is stricken out, and better language is inserted. The better language is the language in italics. All of this information is required by the Bureau of Internal Revenue anyway, and since they have got to keep it, are compelled to keep it under the law in order to pay their income taxes, why should not the expediter who is giving such valuable privileges to different people have a right to determine whether or not they have exercised that power as they should?

Mr. HINSHAW. Mr. Chairman, would the gentleman yield?

Mr. PATMAN. I yield.

Mr. HINSHAW. I should like the gentleman to explain why it does not apply to anyone who sells or rents a house he owns. Even the language substitute says:

Any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations.

Mr. PATMAN. I know, but that is connected up with another provision of the bill.

Mr. HINSHAW. And what is that other provision?

Mr. PATMAN. The other provision is 704. It applies to houses the construction of which is completed after the effective date of this title. So it applies only to new houses, as it is written.

Mr. HINSHAW. I beg to differ with the gentleman.

Mr. PATMAN. In my opinion it applies only to new houses which are completed after the effective date of this act, and it applies only to housing under the provisions of this title.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am in favor of eliminating the language in lines 6, 7, 8, 9, and 10, in the original bill. In other words, I want to strike out the language which the gentleman from Texas has argued should be retained in the bill; and I seriously question the committee amendment. Now, let me read this to you. You are a home owner:

Section 703 (a)—

Now, remember, you own a home—

The Director is authorized to make such studies and investigations, to conduct such hearings, and to obtain such information as he deems necessary or proper to assist him in formulating policies, issuing regulations, and performing any other functions under this title. The Director is authorized to require any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations—

(1) to furnish information under oath or affirmation or otherwise;

(2) to make and keep records; and

(3) to make reports, in respect of such dealings, sales, rentals, purchases, or offers.

I contend that language is sufficiently broad that if I want to sell my home they could throw that law down under my nose and say: "Listen, brother, you have got to furnish this information or you cannot sell your home."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. If the gentleman can clear this up.

Mr. PATMAN. That is what I want to do; I want to clear this up.

I am in favor of striking out that language in lines 6, 7, 8, 9, and 10, and substituting the other. Then it applies only to houses the construction of which is completed after the effective date of this title.

Mr. CRAWFORD. If I understood the gentleman's argument, he was arguing against striking out the language in the lines that are indicated as stricken out.

Mr. PATMAN. No; I am for the committee amendment. I am glad the gentleman asked the question.

Mr. CRAWFORD. All right; let us assume that you are for the committee amendment; how can I escape the clutches of the requirements to file these reports if I offer to sell my home or even rent it under the language of the committee amendment? Can some smart lawyer clear that up for me?

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HINSHAW. If the gentleman will go on and read further:

The Director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations.

They can send their people right into your home and snoop all over the place.

Mr. PATMAN. Mr. Chairman, will the gentleman yield? I have but one desire and that is to make this thing absolutely right.

Mr. CRAWFORD. I yield, because I want to try to clear up this language.

Mr. PATMAN. Remember, any act that is performed must be under the functions of this particular title.

Mr. CRAWFORD. I disagree with the gentleman on that.

Mr. PATMAN. It applies only to this one title, this particular title.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. WOLCOTT. I feel, of course, that all this section should go out.

Mr. CRAWFORD. So do I.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. CRAWFORD. Yes; I yield.

Mr. WOLCOTT. If the committee amendment is agreed to, inasmuch as the bill has been read as one section, and a substitute is offered, if the substitute is defeated, would it be in order then to move to strike out the whole of this section?

The CHAIRMAN. It would.

Mr. WOLCOTT. Notwithstanding the fact that the committee amendment has been agreed to. That was my understanding of the parliamentary situation. If the substitute which I shall offer is defeated, then it is our purpose to move to strike out this entire section.

The CHAIRMAN. The gentleman is correct.

Mr. PATMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. What is the question before the Committee right now? Is it

not the question of striking out the language from line 6 down to line 10 and inserting the language from line 10 to line 16 on page 4?

The CHAIRMAN. The gentleman is correct. The question is on the committee amendment to which the gentleman refers.

Mr. RICH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I question very much whether we should adopt this amendment. It seems to me that we have gone far enough in regimentation in our country. The Congress in the last few years has gone very far in making laws which take away from the American people the freedoms they have enjoyed for such a long time. Give men their freedom and they do things, they produce commodities and homes and agricultural produce, yes, they produce everything we need.

As I view this bill, it is quite unreasonable and it will not do what the Members of the House who champion it state it will do. The price of labor today has been increased, yet the price of materials has been held down by OPA to such a point that you have virtually stopped production. That is the trouble with the whole situation, and that is the reason houses are not being built. We are paralyzed. Yes, you stopped production. Materials are scarce and inflation is now rampant.

Mr. Chairman, if we try to legislate on everything that everybody does in this country we might just as well do the same thing that Hitler did in Germany or Mussolini did in Italy and what some other nations still alive are doing today. Regimentation and regulation, and next usurpation. That is the New Deal.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Wisconsin.

Mr. HENRY. Can the distinguished gentleman give us some idea as to how many thousands of jobs are involved in what the gentleman from Texas is trying to accomplish?

Mr. RICH. All kinds of jobs, I would say—thousands of them. Well, there are 32,000 people on the Government pay roll today doing propaganda work for the present administration. We are paying \$185,000,000 a year for that propaganda. They are trying to convince the people of this country that we ought to be Russianized, and this bill helps brings us to that point. It will only hasten the day. And I have voted to prohibit it so far as I am concerned.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I know the gentleman is of a practical mind. Does he think a bureau of this type and scope can be set up in this country to handle the construction of 1,200,000 or 2,700,000 homes and to deal with the other home propositions involved in here with a personnel of less than 25,000?

Mr. RICH. I do not think they can. This bill is designed to set up 50,000 more jobs and this amendment may double the snoopers.

Mr. CRAWFORD. It certainly is.

Mr. RICH. That is what they are continually doing. They are always creating more jobs. Twelve years ago we had 500,000 people on the Federal pay roll; today there are 3,000,000 on the Federal pay roll and the administration is trying to hold all those people on the pay roll—they mean votes you know. No consolation to the taxpayers, however.

It is time that the American people wake up and get rid of the New Deal or we will have a Russianized form of government or some other form of government in this country through which the people will lose their freedom, their independence, and their American rights as guaranteed under the Constitution of the United States. It is time to stop this and to strike this bill from the calendar. It is only more regulation and regimentation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I would not say that the gentleman from Texas was misleading this House in the statement that he made, because I am sure he is sincere. But I beg the gentleman to read the language on page 2, line 6, which reads:

The purposes of this title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate.

That is one of the purposes of the bill. Then if you turn to section 703 (a) you will find that—

The Director is authorized to require any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy, any housing accommodations—

Which includes every owner of real property, every man who owns his own home, every man who rents a house to somebody else or rents it from an owner, and every one who purchases a piece of property—

- (1) to furnish information under oath or affirmation or otherwise;
- (2) to make and keep records, and
- (3) to make reports.

Then it says that the Director may make an inspection of housing accommodations.

It does not say anything about limiting his right to make inspections of the new housing accommodations provided for in this bill. He can make an inspection of any house or home in the United States under this bill whether it is offered for sale or not.

Over on the next page we find that they magnanimously put in an amendment on line 17 which says:

Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.

Why is it necessary to place language like that in any bill passed by this Congress? It seems to me that any man or woman in the United States has the right to make a record of his testimony before any agency, be it a court or otherwise, and to be represented by counsel. Is not this bill big-hearted?

Turning to section 706, you will find this language:

It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title.

On page 14, section 706 (c) you will find the penalty for the violation of any provision of section 706 from which I have just quoted, and you will find that any home owner in the United States who refuses to allow the entry into his home of one of these snoopers can be fined \$5,000 and placed in jail for 2 years. Refuse to let them inspect your home and you become a felon.

What kind of a bill is this, I ask you?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. Yes; I yield to the gentleman from Texas, if he has an answer to that.

Mr. PATMAN. Why should the expediter want any information about a transaction over which he has no control whatsoever?

Mr. HINSHAW. Then why do you want to give him the power so that he can do those things? I know the way some of these people have operated in the past under the OPA and elsewhere, and I want to tell you that I do not want them snooping around my home just because they may have a right to do it under this bill, if it passes.

Mr. PATMAN. At the same time, I know that the gentleman agrees that we have got to have proper law enforcement if we pass a law, and he would not want a law without any way to enforce it.

Mr. HINSHAW. I have seen some of the regulations that have been put forth under the various agencies of this Government. It seems to me that this is a Gestapo set-up. They will have more power than any agency presently has. I want to tell you that they are not going to come into my house and snoop, whether I want to sell it or not. It is none of their d— business.

The Bill of Rights says in big type that "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the person or things to be seized." In this country a man's home is to be secure from any Government snooping unless there shall be a warrant issued based upon probable cause. That language was not put in the Bill of Rights just for show, but because our forefathers had experienced some of the very actions that this bill now proposes to make possible. Any man has a right to protect his home from entry by anyone unless a proper warrant be sworn out authorizing the entry by an agent of the law.

Mr. HOOK. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I have been interested in this housing situation. A group of Democratic Members of Congress decided to go to Michigan, voluntarily, at our own expense, hold hearings, and make an investigation as to what the situation was, and give all the help we could in this housing situation.

We found in the metropolitan area of Detroit alone that they were short at

least 75,000 homes. I went up into my district in the northern section of Michigan and I found in every county of my district a shortage of homes. Every county made a survey. I called their representatives together and we had a report on it. I went into the county of Dickinson, and especially the city of Iron Mountain. I found a rather unusual situation existed. There was a shortage of homes. The public-spirited citizens of that community, after they had read the Wyatt report, in accordance with that report worked out a plan. This is a city of about 12,000 people. These public-spirited citizens gathered together \$100,000, not less than \$1,000 apiece and not over \$5,000, to form a corporation. They gathered options on several hundred lots throughout the city. They said the options were not to exceed \$200, when lots in that city outside of those options had risen from \$100 to \$1,000 apiece. Rents in that area have not only doubled but trebled in the last couple of months. Lots have skyrocketed. The purpose of this public-spirited organization is to build homes in accordance with the Wyatt proposal, with veteran and nonveteran hardship cases to be preferred. That is the spirit that should exist in every community in the United States.

Mr. HENRY. Mr. Chairman, will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Wisconsin.

Mr. HENRY. As I understood the gentleman, he said that rents in that community had doubled and trebled.

Mr. HOOK. Yes.

Mr. HENRY. Will the gentleman tell me if there was a break-down in rent control in that community?

Mr. HOOK. There was no rent control in that area.

Mr. HENRY. Why?

Mr. HOOK. The reason is that we did not produce war goods up there except for iron ore and copper that went into the war program, together with food and a few other odd commodities. There was no rent control. That is a good illustration of why we should have rent control. I have asked that rent control be established in that area. That is the reason we need such a bill as this, with public-spirited citizens of the kind that have combined in that city getting together to see that veterans get homes at a reasonable cost within a reasonable time, and that nonveteran hardship cases be taken care of, so that people can have homes to live in. This corporation that will be formed can conform to every phase of this bill. They can make their reports because they are not out to gouge the public, they are not out to gouge the people. They are organizing for the purpose of bringing to the people low-cost housing at a reasonable cost. When you have done that you will have served this Nation. I hope that the path that has been blazed by this pioneering group in that city will be followed by groups in other cities throughout the United States, and that they will form such organizations and cooperate with the Housing Expediter to bring homes to veterans and to nonveteran hardship cases. The Iron

Mountain plan is one of the first of its kind.

Mr. DONDERO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Sage of Monticello once said that if we must ask Washington when to sow and when to reap, we would soon want bread. It seems to me if Thomas Jefferson were alive and here today on the floor of the House, he might well paraphrase the statement he made in the long ago and say, "If we must ask Washington when to build and when not to build, we would soon want houses." Those who propose any kind of a bill for the control of material and the building of houses for veterans go upon the theory that the competitive spirit of America is dead, the law of supply and demand is dead, and that the free-enterprise system no longer exists in the United States; and in its place there must be substituted a planned economy and regimentation. This country grew great and strong under a free economy and not a regimented planned economy.

Several Members took the floor yesterday, one gentleman in particular, and expressed apprehension that if there were any buildings under construction when this bill became law, the building materials needed to complete such building could very well be diverted or allocated to other places or to other buildings by the Director. There is great force in that contention. Under section 705 (a) it is provided that—

SEC. 705. (a) Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations he may by regulation or order allocate or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary.

I received a letter this morning from the president of Michigan State College at Lansing, Mich., also expressing apprehension that if this bill becomes law the building program which the State of Michigan is now engaged in in an effort to supply housing for veterans who desire to take advantage of the GI bill and further their education might be curtailed. I want to give to the House the program that is now in operation for the building of housing facilities for veterans. This is what Dr. John A. Hannah, the president of that great college, which expects an enrollment exceeding 10,000 people this coming fall, says regarding this subject. He says:

To meet the situation, Michigan State College is now building 5 large dormitories, 6 apartment buildings for married veterans, and 52 Quonset houses are being installed, all without Federal aid.

He also says that they have under construction a large classroom building, a home management laboratory, and intend within a short time to construct a science building, a physics building, and others deemed essential if veterans are to have opportunity for the kind of education they expect.

That letter was written on February 26 to Mr. Wyatt, who is supposed to administer this law, if adopted. He, too, is apprehensive whether or not the mate-

rials for the construction of these buildings might be shut off and allocated to other parts of the country and the building of facilities for veterans stopped immediately. That is a serious question. I trust that the membership of the House will give it consideration when they vote on this bill.

What would I propose in its place? I still have faith in the American system of doing business. I believe that if controls were lifted from building materials we would again move forward under the law of supply and demand, and the people of this country who have made such great progress under that system would again give proof to the world that they can build houses and other facilities for our returning veterans without having the control of their business originate from Washington. For that reason, I am in grave doubt about this bill. It might do more harm than good by preventing the building of houses for the men who wore the uniform of our country. The day before yesterday I took this floor and pointed out that a \$6,000 ceiling on veterans' houses has already been tried in Pontiac, Mich., and has proved unworkable. They did build two houses, and found that they cost \$6,400 without the lot and basement. How are we going to provide houses for our veterans when it has already been shown they cannot be built under this bill, at least a house decent enough for veterans to live in?

(Mr. DONDERO asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demand by Mr. PATMAN) there were—ayes 67, noes 51.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 4, line 19, after the period, insert "The Director may administer oaths and affirmations."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 4, insert "(b)."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 5, line 10, insert:

"(c) Witnesses subpoenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(d) The Director shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information.

"(e) Any person subpoenaed under this section shall have the right to make a record

of his testimony and to be represented by counsel."

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Chairman, in these days when sentiment is overwhelmingly in favor of doing something for the veterans, not a few groups and some individuals want to crawl onto that bandwagon. The gentleman from Texas [Mr. PATMAN] several times has told us we ought to do something for the veterans. I think we should, but we should not hold out some false hope to them. As does this bill.

Back in 1935 or 1936, along there somewhere, there was before this House the question of whether a bonus should be paid to the veterans of the First World War. Some who were here then remember how that question was held up and not decided for a period of a year or more because the gentleman from Texas [Mr. PATMAN], a great friend of the veterans, so he told us then, did not want them to be paid the bonus the Vinson way; he wanted them paid the Patman way, by the printing of money, or something like that. So the veterans waited for their bonus.

Hence, just because the gentleman so states, I do not take a great deal of stock in the idea that this is a bill to aid the veterans. It is a fine thing to get on that veteran bandwagon if you are looking for votes, if you are making speeches back home, but it has been stated time after time during the debate that this bill, with all the money that the United States might be able to borrow—note I did not say all the money in the United States Treasury, I said all the money the United States might be able to borrow—will not build a single house.

Now, there is something else to it. Who wants to be told what kind of a house he is to live in, even if he is a veteran? Who wants to be told whether there will be a kitchen on the front side next to the road, or a living room? Who wants to be told whether he is to have a basement or an attic or a second story on his house?

Some of us who have watched bureaucrats in the OPA and who are familiar with what they do know very well that if a Government agency or bureau has anything to do about the building of these houses the veterans and everyone else—and there are some others who want to have a roof over their heads—are going to have trouble with their wives. And the agency will have trouble of its own with the wives. The wife wants this thing there, something else over here, and then comes some fellow from Washington who says: "Put it over there." If there is anything a bride looks forward to doing it is the building of her own home on her own plan in her own way.

When the farmer builds a pen for the pigs, when he builds a coop for the chickens, when he puts the stanchions in the barn for the cows he does not ask the animals what they want, he just puts them where he wants them, in the places

he builds for them. Now, the proposition of the gentleman from Texas is to tell the veterans and all the other people who want to get in out of the wet, get under a roof, what kind of a roof it shall be, what kind of second story, if there is going to be one, what kind of first story, and where the living room is to be, and where they are to put the bathroom.

Mr. KNUTSON. And the bed.

Mr. HOFFMAN. Yes; and the bed. And so on all the way down the line. That is what they will do. They propose to treat the veterans as we treat animals on the farm. The veterans and those needing homes deserve better treatment than that.

Where is that gentleman from Nebraska [Mr. BUFFETT] who had that clipping from the RECORD which he showed to me just a minute ago—the remarks put in by the gentleman from Texas?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Are you the one who showed it to me?

Mr. CRAWFORD. Yes.

Mr. HOFFMAN. What was it the gentleman from Texas [Mr. PATMAN] said about the veterans—about being so solicitous about the veterans?

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. The head of this speech made by the gentleman from Texas [Mr. PATMAN]—and it is found in the printed RECORD at page A1070 of February 27—refers to the revelation of a million-dollar slush fund. But permit me, as a member of the committee, to say that I have not seen any evidence of a slush fund; it has not been revealed to me.

Mr. HOFFMAN. Slush fund?

Mr. CRAWFORD. A million-dollar slush fund.

Mr. HOFFMAN. It may be part of that \$500,000,000 that is going to go to the contractors who are to build the homes, I do not know. I never heard of it before. Go ahead.

Mr. CRAWFORD. The gentleman from Texas, in discussing this proposition, said:

For a month Washington representatives of the real-estate interests have been buttonholing Congressmen, urging them to vote against houses for veterans.

Nobody has asked me to vote against housing for veterans.

Then he also says:

Why should these lobbyists stoop to such practices? I believe there is a quite obvious answer to that. Should this legislation pass, they will be denied the greatest sucker market in history.

Mr. HOFFMAN. The what?

Mr. CRAWFORD. Sucker market.

The veterans of my district are not suckers. I deny the charge.

Mr. HOFFMAN. Of course they are not. Oh, it well may be that the gentleman from Texas [Mr. PATMAN] did not intend to refer to them as being suckers. We will assume that he did not; I like to

be charitable. The gentleman from Texas did not intend to refer to the veterans as suckers. That would cost him votes to say that. He does not do that. He just got steamed up. He was just being oratorical.

That is another illustration of the careless way in which the gentleman from Texas uses words. It is just an illustration, just another proof of the fact that we should not as Members of the House place too much weight on what he says, because he does not always mean what he says. It is just like that chain-store legislation when he went up and down and around and across the country speaking for it or against it, I have forgotten which, but it was a fine thing, which ever way it was, for the gentleman from Texas. It continued for a long, long time. He followed his best judgment. I do not criticize him, perhaps I envy him, I do not know. But in any event you cannot build houses for veterans if you do not have materials. The materials are not available in my district, nor in the Fifth District represented by the gentleman from Grand Rapids, Mich. [Mr. JONKMAN]. The OPA has got down to cement blocks there. Everybody knows that a house has to start down at the bottom, you have to have something under it, but the OPA has got their hands on the underpinning, now. In Holland in the gentleman's district the OPA is ordering the sale of blocks at a price which may put them off the market. And then there are the rafters and the roof. That is all right, but there has to be some materials in between the foundation and the shingles.

Now, I wonder why he does not do something about fixing it so materials can be produced and sold. If you want to do something basic to help the veteran, why do you not fix it so these veterans who have returned can go to work and get a job without paying the political ally, the UAW-CIO and the CIO, the administration's political ally, so that those boys who are coming back who are here can get work without having to join up? Why do you not do something about that, why do you not fix it so they can find work building their own houses over the country? Why do you not get the yoke off the necks of the would-be purchasers of milk in the city of Detroit—open up factories so they can produce—so all can buy—instead of always calling for deficit spending, always wanting more purchasing power.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. The gentleman talked about bathrooms.

Mr. HOFFMAN. What do you want a bathroom for?

Miss SUMNER of Illinois. If you do not take OPA off of the plumbing industry you will not have any bathrooms in houses.

Mr. HOFFMAN. You do not absolutely need a bathroom. You can get along without a bathroom. But if somebody wants a bathroom my point is it is none of anyone else's business. Mr. Ickes, I understand, had one down in the Interior Building all fixed up, a bathroom

in colored marble. If a man wants to have a bathroom or a tin tub or take a bath in the watering trough, I think he is entitled to do so.

The administration has not been slow to get on the veterans' bandwagon. This week's effort is with a proposal to build homes for veterans. Everyone knows there is a shortage of housing facilities. Veterans and others—and do not forget the others—find difficulty in finding places to live. This is due in part to a shortage of construction during the war; in part to the tendency in many rural regions to congregate in the cities in order to hold more lucrative jobs. Factory workers, drawing from 75 cents to a dollar and more per hour, were the envy of many a farmer and farm boy. That looked like big money. It was—very good money—until the cost of living skyrocketed.

In any event the Nation as a whole needs more homes. So this latest plan of the bureaucrats and the spenders to create another Federal agency; pay contractors building houses, in addition to the prices paid by veterans, \$600,000,000 in subsidies out of borrowed Federal funds; spend some more money under rules, orders, and directives promulgated by a Federal dictator.

As was pointed out on the floor, passing a law and appropriating money will not build homes. Building homes requires lumber and other materials, all of which are scarce. The scarcity is due in part to the enormous use of such materials during the war and to OPA regulations.

For example: flooring is off the market, one reason being that the price of the lumber which goes into flooring is in some instances higher than the finished product. So who is going to manufacture flooring when he can sell his lumber in the rough for more money? Other materials, soil pipe, metal fixtures, cement blocks for foundations—are, in some instances, required to be manufactured for less than the cost of production.

Until OPA and other Government agencies get their fingers out of the pie, their spoons out of the broth, we will be in a mess and there will be a shortage which will prevent the supplying of the need, the building of homes, the repairing of old ones.

UP OR DOWN

From the administration we have heard overmuch about holding the price line. Time and again Bowles has told us that the cost of living would be kept down, the price line held. "Hold that line" was an early slogan of Truman. Time and again Bowles has told us that the line has been held; that it will be held; that prices have not gone up; that they are not going up; but the housewife knows better.

The fabricators of steel are faced with the ultimatum of the union, backed by the Government, that a wage increase of not less than 19 percent must be granted. Faced by the fact that the administration has granted the manufacturers of steel an increase in the price of steel, the fabricator must buy steel at an increase in price of as much as \$9 per ton. They

cannot meet the increased wage and material cost, sell at the old figure, and continue in business. Would-be home builders will find it difficult to purchase hinges, locks, faucets, pipe, which are part of bathroom, kitchen, and other equipment.

The administration tells first this industry, then that—if its employees happen to be members of the administration's ally, the CIO—that wage increases must be granted, that it must immediately resume production; then later on, if the industry can prove it cannot continue to pay the increased wage, the added cost of material, and stay in business, OPA may, if it is convinced of that fact, grant an increase in the price of the company's product. Unfortunately, producers and businessmen, knowing, no matter what OPA says, that they cannot do business without a profit, not only will not, but they cannot, go along with that policy. So along comes another bottleneck either in this or that needed merchandise.

Eccles, Chairman of the Federal Reserve System, says the Government's wage policy will hike the cost of living 10 percent. Others equally competent say it will go up 20 to 30 percent. Bowles, former OPA chief, now stabilizer autocrat, and Snyder, of Reconversion, reply: "No such thing." And a bewildered people, a confused Congress begin to scratch their heads and to wonder if it would not be well to just throw away the figures of the so-called economists, the theories of the planners, and all of us, using a little common sense and the lessons of experience, go back to work.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FOLGER. Mr. Chairman, I move to strike out the last word. I ask unanimous consent that the pending amendment may be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk again read the pending amendment.

Mr. FOLGER. Mr. Chairman, I shall offer an amendment to strike out the language beginning in line 20, page 4, and the remainder of the section down to subsection (b). If the amendment should be well thought of by the membership of the committee, the amendment now offered by the committee and pending would be surplusage and unnecessary.

Mr. Chairman, this section reads:

The director may require any such person to permit the inspection and copying of records and other documents and inspection of housing conditions. The director may administer oaths and affirmations. For the purpose of obtaining any information under this section, the director may by subpoena require any such person to appear and testify or to appear and produce documents, or both, at any designated place. In case of refusal to obey a subpoena served upon any person under this section, the court for any district in which such person is found or resides or transacts business, upon application by the director, shall have jurisdiction to compel compliance with such subpoena.

Mr. Chairman, the language "any person who deals in, sells, rents, or buys, or

offers to sell, rent, or buy, any housing accommodations" is exceedingly broad. That can be worked out later in conference, however. Because a man offers to sell or to rent a house it is going a long way to require him to make a report to the housing expediter or somebody else.

But be that as it may, if one violates the substantial provisions of this law, which are intended to provide homes at reasonable cost to veterans, there is in the law a jurisdiction conferred upon the district court of that district where the violator lives or where he transacts business in connection with which he is charged with a violation of the law.

In addition to that we have voted in the amendment which provides that the expeditor or the director may require that information be furnished under oath or affirmation, and to make and keep records and to make reports in respect to all such dealings had. Then it is stated:

The director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations.

We have provided all that. Tell me why in the world it is necessary then to add to all of this machinery for subpoena when no action is pending. There is the requirement that he shall keep records, that those records shall be open to inspection. He may be required to submit them under oath, and, in addition to that, it is to be provided that he may be subpoenaed anywhere in the United States to come and tell something about something not at issue. I think that that ought to be stricken out, and that paragraphs (c), (d), (e) would not be necessary at all. I am not in a position to vote for these amendments. It can do nothing but scare the building industry and serve no other beneficial object.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from North Carolina has made a contribution to the debate in pointing out some more absurdities in this legislation. The trouble with the country today is that Congress is out of touch with the people. We are becoming increasingly out of touch, the reason being that we do not have time to go home and find out what the people want. This condition commenced when we did away with the short sessions of Congress back some 15 or 16 years ago.

If the chairman of the Committee on the Judiciary is present I would like to suggest to him that his committee bring out an amendment to the Constitution restoring the short session, as it was prior to the time that these "new gooders" took over. We have to get back in touch with the people or the people are going to send representatives down here who are more in touch with what they want, and who better know what the conditions are back home.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from North Carolina.

Mr. FOLGER. Allow me to say that in my opinion this added subpoena pro-

vision will have no effect except to frighten enterprise in undertaking to perform their duties and does not have any substantial part in this bill.

Mr. KNUTSON. I am not so sure but that the main purpose behind all of this freak stuff is to frighten enterprise, drying the country up at its source so that the "long-haired" boys can take over.

Mr. FOLGER. I would not say that was the purpose.

Mr. KNUTSON. Whether it is the purpose or not, the effect would be the same. Congress, as the custodian of the Government, must reestablish its contacts with the people, else bureaucracy will completely take over. The only way this can be done is by giving the chosen representatives of the people enough time at home each year to learn their wishes. In no other way can we hope to maintain representative republican government.

Mr. KEFAUVER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, many of us who have been here during all of this debate, for the past 2 days, feel a little disappointed with the remarks that have been made by some of the Members who have spoken on this bill. The general attitude of many Members is far from encouraging. The personal and insidious statements of some Members reflect unfavorably upon them as legislators. It seems too bad that when we are faced with a great national question like this, when we are confronted with a situation as the boys who have returned from the service are confronted with, they and their families, that this House of Representatives cannot more seriously get down to the business of working out a program to help solve this crisis.

I am certain, Mr. Chairman, that these young men and their families who are hopefully looking to the Capitol today to see what kind of plan we will adopt to enable them to get their families together in a little home are not going to be very much pleased with the demagoguery, the jeering, and the sneering remarks that have been heard so frequently here today.

Furthermore, Mr. Chairman, it is most unfortunate and reprehensible that in this Congress, and at this time, when we need patriotic men who are willing to enter public service to do some of the many jobs this Nation has before it, that inevitably, when they answer the call for public service, they have to be held up to ridicule and scorn as they have been here today.

I do not know Mr. Wyatt but I admire him, and I think he has a fine spirit and a real sense of patriotism for leaving a better-paid position to come here and spend 18 hours of his time every day in trying to help with this problem. He deserves something better from the Members of this House than the sneers and belittlement he has received here. He has been accused of wanting to build up a political machine, his motives have been impugned and he has been attacked personally. Why? Just because he was persuaded to tackle a difficult public job.

Also one way to attack something when you cannot attack it in a frontal way, is to try to make fun of, disparage, or speak

lightly of the sponsors of the measure. I do not know of anyone in the Congress who has worked more diligently in trying to find some effective and workable approach to this problem than the gentleman from Texas [Mr. PATMAN]; yet how is he rewarded? He is rewarded by having little, sneering remarks made of him. He is made the victim of personal attacks. He must submit to remarks about legislation he has sponsored or had some connection with in the years past, which has nothing to do with this measure. He could if he wished answer and demolish these jobs. But their purpose is to divert the course of the debate to irrelevant matters and it speaks well for the character and bigness of the gentleman from Texas that he refuses to be led into this trap. The boys who are anxiously looking for homes are not going to appreciate this kind of approach to this important problem.

Mr. Chairman, a whole lot has been said about taking off all the controls and letting the good old law of supply and demand do the work. I do not think there is anybody in this Congress who does not believe firmly in the doctrine of free enterprise, the law of supply and demand. But let us consider a minute that we are not dealing with an average kind of situation. A great strength of this Nation is that in an emergency it can and the people have the vision to concentrate power in order to get that job done. Would anybody argue that the operation of the law of supply and demand would have built the great war factories and the great housing projects we had to have in order to house the workers? Could we have won the war without emergency measures to throw the full weight of our resources into the struggle? Today even the bitterest critic of this bill would not say that. Yet by sending these boys abroad, by the dislocation of war workers, we now have the aftermath. This gives us as great an emergency, in some lines of our economy, as we had in the beginning; housing is one of them.

When veterans are trying to get settled down in homes, when we are trying to work out a readjustment of the situation which this emergency brought on, shall we answer by saying, "Let the law of supply and demand operate and it will do the job"?

The main thing this bill is going to do, as I see it, is to center responsibility for putting over this program. It will enable us to see that the scarce materials which are available for building go to the place they are needed now, first and foremost, in building homes. This bill says that other things can wait. Certainly it will be to the credit of this great democracy that we can do that for the men who have fought our war for us.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEFAUVER. I appreciate the request of the gentleman from Massachusetts.

I was recently down home and attended a meeting with a large group from veterans organizations. Those men who are looking for housing are not thinking particularly about whether the law of supply and demand is going to work. They feel that this is an emergency. They want and demand some houses to live in. I think they have a right to have a sincere hearing given the problem by their Representatives in Congress. I think the sponsors of this measure, which is aimed at doing that for them, should not need to be subjected to unkind side remarks and belittling statements such as they have been subjected to on the floor here this afternoon.

I do not see anything substantially wrong with this bill. It may have some defects that need to be ironed out. The fundamental purpose of this bill is to channel materials into the place where they are most greatly needed. It seeks to keep the price of new houses within the range of the GI's pocketbook.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I wonder if the gentleman will explain to the House why it has been that for the past 10 months, since VE-day in Europe, with the present administration having the power and the authority to channel these materials into the construction of homes for veterans, and having the power and the authority to change the price ceilings and the other regulations which have interfered with the production and the construction of homes, you have not yet done so, but now come in and ask for greater authority and something else to cover up your mistakes of the past.

I will say to the gentleman that some time back the Administration thought that by taking off the controls in L 41 supply and demand would do the job and would result in the building of all the houses that were needed. What did we find? We found that everything else but houses for veterans were built. Many people argued then as they do now: Remove all controls, and the problem will solve itself. We saw what happened when L 41 was removed. I personally think that if those controls had been kept on so that materials could have been channeled to homes for veterans, we would have a much better situation today. Our experience with L 41 should teach us that we have to reestablish some system of getting controls back on these supplies so we can build more homes.

Were you right or wrong then?

Mr. KEFAUVER. The gentleman's remark indicates, and it is very regrettable, that there is entirely too much of a desire to make political capital of this housing bill. We have made mistakes. They have made many mistakes at the OPA. I have criticized them many times, but I am not willing to say, as the gentleman says, that their efforts have not been sincere and that on the whole they have not been in the public interest.

Mr. BROWN of Ohio. When the gentleman refers to making political capital he is referring to our side, I assume. Is not the gentleman a member of a special political committee to defend the administration activities? And is he now speaking as a member of that committee?

Mr. KEFAUVER. May I say to the gentleman that I have not actually joined yet, but I have told the gentleman from Tennessee [Mr. GORE] that I desire to join. We want to keep the record straight, and I think that a worthy purpose.

Mr. BROWN of Ohio. Are you acting now as a member of that committee?

Mr. KEFAUVER. The gentleman is one of those to whom I have referred, who whenever they try to make a constructive argument or try to be constructive are unable to resist the temptation of trying to drag politics into the argument. What we ought to be sincerely concerned about is getting a constructive plan for houses adopted. If we are sensible, we will lay aside politics and stop taking potshots at one another and get down to work on this program. Let us improve this bill and amend it if it needs amending. But let us get something done. Those looking for homes are not going to be very well pleased, and justly so, if we do not do so.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I assure the gentleman that I will speak without rancor. This bill was originally referred to as a housing bill, but in recent days in the debate we hear it now referred to as a veterans' bill. I repeat the question asked earlier in this debate. If it is a veterans' bill, why was it not referred to the Committee on World War Veterans' Legislation so that it could be discussed and integrated with other veterans' legislation that has been passed or is now pending? I assume that it is not veterans' legislation, and that is the reason it was not referred to that committee. Let us see what this bill does say about veterans, to ascertain whether references to veterans do more than give this bill a sentimental appeal. It mentions, on the bottom of the first page "that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available."

That is a fact. There are a lot of people without homes, including veterans. This is a national problem and not merely one relating to veterans. When it is solved on a national scale, it will be automatically solved for our veterans and the solution is production of building materials.

What else does the bill say about veterans? Down close to the bottom of page 2, it sets out the pious platitude, "to permit returning veterans to acquire housing at fair prices." To permit—I repeat—no requirement, mere permission. Then again, on page 12, we find that it is hoped that the Director will make certain regulations which will do what? "Provide regulations for satisfying the housing requirements of the veterans of World War II and their immediate families."

That is another hope and prayer.

Nowhere is there any definite direct priority or preference given veterans.

If this is a veterans' bill, let us see what a veteran himself says, a construction man who has served 22 months overseas in the Pacific and in the Atlantic. Incidentally I might suggest if you want houses constructed that you get the construction men, many of whom were with the Navy Seabees—construction battalion—give them materials and you will get some houses built. But houses are not built by legislation such as this.

What does this returning veteran, Ralph O. Taylor, Overland Park, Kans., say? He says—he is speaking for himself and his wife and family:

We have 46 acres lying empty and idle, which if given the go signal, will be built upon immediately.

We, the builders, can and will build the necessary homes if we can obtain the necessary materials and not be restricted with regulations.

Does this measure give them materials? No; it gives them red tape—more pushing around. This measure says that if a veteran proposes to buy a house he will have to make a report. If he proposes to sell it, he must make a report. If he proposes to rent a house from me, he will have to make a report. If I propose to rent a house from him I will have to make a report.

This veteran says further in his letter:

I want a home that my family can live in for years to come, not a temporary, something-to-get-by-on home located in some out-of-the-way, undesirable location, which, no doubt, would be the case if homes costing \$6,000 are built.

Do not force me and my wife to invest our hard-earned service pay, which we have diligently saved for years, in a home we do not want.

We want to build the home of which I long dreamed while I was gone, and we get very discouraged when we think that after we have fought the war for the things we want and have in this country, we cannot have the home we've dreamed of, saved, and fought for.

Mr. Chairman, these are the views of a veteran. He deserves to have his dreams come true.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. SCRIVNER] has expired.

Mr. GRANGER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Chairman, a great deal of the discussion today has been resolved around the necessity of having homes for veterans.

I want to pay my respect to the man whom I think has done more for the American veterans over the last 25 or 30 years than any other man I know of; that is the gentleman from Texas [Mr. PATMAN]. When we speak of doing something for the veterans, the gentleman from Texas does not use his position and arguments for demagogery or to raise false issues, or to fool the veterans of this or any other war.

Years ago his voice was a lone voice in the wilderness, when he was advocat-

ing adjusted compensation pay for veterans of World War I. He is a veteran in his own right. He has the interest of the veterans at heart. It did not take any special dispensation to make him a member of the American Legion as it has other great advocates of veterans.

He sponsored another bill recently, the full employment bill, and many others that have been made law and have benefited the people generally. He is an objective thinker. If he makes a move it will be in an objective, aggressive, and progressive direction. He will never go down in history as an obstructionist. He is here again today, not only in the interest of the veterans but in the interest of the American people, to find ways and means to build homes for veterans and others.

It seems to me we should lay aside much that appears to be politics today, and if the bill we are now considering is inadequate or goes too far, let us amend it and present it to the House that we may vote on it intelligently.

It is easy to come down here in the well of the House and criticize. It is easy for a minority member after a committee has worked for months and months on a bill to step down here in the well of the House, read the title of the bill and then tell the committee it is not any good. It seems to me it is a reflection upon the work of a great committee for Members to come here on short notice and say this legislation should not be passed. I think it should be passed. There is a shortage of houses at every crossroads and in every community in the land, and something must be done, some objective step must be taken, in order to remedy this shortage of houses. We have an opportunity here today to take a step in that direction and I trust the membership will support the committee in passing this bill.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier this afternoon, the majority leader, for whom I have a deep affection, indicated that there was a great invisible lobby that was seeking to roll back the veteran and every interest that we might have in him. I think that was a most regrettable statement. I certainly would not have made it. There is a note of confession in it sometimes, and I mean that in the most charitable and compassionate sense. If the Members of this House have been pressured by any lobby, it is really the lobby of Federal agencies who leave no stone unturned to obtain the broad delegated powers like those contained in this measure, under which they can, by rule and regulation, regiment the citizens of this country.

Is there anybody here who does not believe way down deep that every Member of this House is interested in the veteran? Here sits the gentleman from Kansas [Mr. SCRIVNER] who left the floor a moment ago. If I remember rightly, he was State commander of the American Legion in his State, and I believe also that he received the Purple Heart and was awarded the Silver Star. Has the kinship of the uniform so far departed from the heart of the gentleman from Kansas that he is not interested in

the veteran? One becomes the commander of a veterans' organization for an entire State only by long, diligent, and faithful service to the cause of veterans.

Sitting back here somewhere is the gentleman from Pennsylvania, Dr. FENTON. If you look at his lapel, you will see that he wears the Silver Star from the last war. Do you think he is wanting in charity, wanting in a sense of justice, willing and able to do anything that he can and honestly and effectively do for the veteran?

Sitting over here is the gentleman from West Virginia [Mr. ELLIS]. He was a commander of the American Legion in his State and served honorably and with distinction.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GRANGER. May I say the gentleman also has a very distinguished service record?

Mr. DIRKSEN. I appreciate that gracious compliment from my friend.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. PATRICK. By their fruits ye shall know them.

Mr. RANKIN. That ought to be taken down.

Mr. TRAYNOR. I have served 7 years in the armed forces of this country. They are not all over on that side.

Mr. DIRKSEN. That is right. My friend simply anticipated me for a moment, for I was coming over to that side.

Mr. TRAYNOR. I thank the gentleman.

Mr. DIRKSEN. If I remember Will Kennedy's story correctly—and Will did a great job of publicizing the background of Members of the House and Senate, the sons and daughters that they had in the armed services—there were probably 3,000 people from Capitol Hill who served in the armed services of this country. There are over 200 veterans of World War I in this body. Have they become so wanting in that feeling that holds the present to the past, have they become so wanting in their devotion, their affiliations and their affections for the younger veterans of World War II that they would willingly and consciously undertake any act upon the floor of this House whether by word or by recorded vote that would be inimical to the veterans of World War II?

In 1943 when Will Kennedy of the Washington Star completed his survey of the military records of men in the House and in the Senate he found that 32 Senators and 165 Members of the House had served in four great wars. That was the Seventy-eighth Congress and since that time the number has been substantially increased.

More than one-half of the Members of the Senate, namely 50 Senators, and 135 Members of the House had sons or daughters or other kinfolds in the armed services in World War II.

There are Members of this House who have had many members of their families in the service and some have lost precious sons on foreign soil.

If time permitted, I would read the whole list into the record but unfortunately it would be too long at this point. Suffice to say that the Members of both bodies of Congress by ties of blood have a deep and abiding interest in the veterans of World War II and it is inconceivable that any person could entertain the thought that the great majority of this Congress is not deeply anxious to find the right solution for the proposed housing program so that there will actually be houses and not castles of disillusionment for those in whom we are interested. It becomes necessary to refresh the minds of the membership that the problem before us is not whether or not there should be a housing program that will produce houses but what kind of a program.

The chairman of the Committee on Banking and Currency asked for fair consideration for the pending bill. I agree with him and will do my bit to see that it is not only fairly but thoroughly considered.

After all this Congress has had much experience with administrative agencies and with delegated powers which were spelled out by rule, regulation, and directive in such a fashion that the intent of the Congress was so often ignored, disregarded, or flouted.

We are all striving in the right direction for the right answer to this problem; but frankly I do not feel that the answer can be found in the bill that is now pending. After a while a substitute will be offered, carefully considered, carefully worked out but free, I think, from many objectionable features that you will find in the pending bill. That substitute will be offered by the ranking member of the committee handling the bill today, the gentleman from Michigan [Mr. WOLCOTT].

But, Mr. Chairman, I supplicate you, that nobody come down in this well again and make it appear on the part of a great deliberative body, so many of whose Members served not only in World War I, but in the Spanish-American War like my friend the gentleman from Michigan, Roy WOODRUFF, sitting there, and like some of our youngsters who wear the discharge button of World War II, and make it appear that we are wanting in interest or zeal to find a solution for the problem which is fair, durable, and effective.

Mr. PATRICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I remember in the reading of the Master, when the disciples were declaring their great love for Him, He said, "If you love me, keep my commandments."

I remember the boy who went to the mill. He had three roads to go. He could go the main highway, the valley road, or the mountain road. He had great difficulty in choosing the road, and when he got to the mill he wondered what the miller would say. He got to the mill, the miller looked at him and said, "How much corn have you got there?" Never a word was asked by the miller as to which road he came over.

Of course, you Members opposed to this bill love the veterans as well as we

do. But you have veterans in your district, and they are asking for houses in your district, whether you are a member of the Banking and Currency Committee or not. That committee started hearings on this legislation last December. Every Member of Congress, I take it, was invited to go there and lay his grist before the mill. The committee chairman nods assent. Thank you. Every Member was invited and was not asked on the basis of whether a Democrat, Republican, or whatnot.

We knew then, in December, Mr. Chairman, that we had veterans coming home. All Congressmen knew the problems that were mounting already for housing. It seems to me to be not the most diligent representation to wait till we come to consider a bill reported by the Banking and Currency Committee and then to find fault here and find fault there when we could have been contributing to the veterans needs before. When it comes time to vote for a Congressman next fall the veterans are not going to ask, "Were you on the Banking and Currency Committee?" They are going to ask, "Were you in the Congress of the United States when I asked for bread and was given stone." We have a bill here today. How much have you contributed to it? How much of it is yours? You are wailing and gnashing your teeth about this bill, but how much of it did you put in? How many times did you appear before the Banking and Currency Committee to help out? Or did you wait until the bill got on the floor, then find this or that obstacle that you thought was so big you could not hop over it, then lay all the blame on the committee?

When I hear men on the floor here in debate I sometimes wonder if we have not all been placed on the wrong committees. A committee will be put to work on a bill, it will work hard and report a bill. Other Members seem to know all about that legislation, however, a bit tardy about revealing that knowledge, though they are not always so hot in their own committees. They come out revealing their great grasp by opposing the reported bill they could have helped so much in shaping but neglected entirely. So I think sometimes that most everybody in Congress is on the wrong committee. Personally I am not a member of the Banking and Currency Committee. Mine is the Committee on Interstate and Foreign Commerce. The members of the Committee on Banking and Currency, in my judgment, have done an excellent job. I am here to support them and help the veterans. They have brought out something. They have arranged to get what material we can get, what is available under the regulations that we have, and for my part I do not think OPA controls over these materials should be released yet. We have to channel them for some time. If we let the law of supply and demand entirely govern in times like these we will always get crossed up. The truth is, it is not accurate to refer to the force as the law of supply and demand. That term is a short cut. It is the law of the relation of the supply to the demand. This is

what we really mean when we refer to the law of supply and demand.

In times like these the demand runs away off and leaves the supply. Every bright school boy knows that. The regulations that we must have keep it from running farther and spiralling into a great inflation. We now have such regulations and directives, and you cannot handle the work without a board.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATRICK. So we have to come forward and do the best we can with what is available, and we say that instead of building entertainment arenas and instead of building picture shows, and instead of building other things, that which can be done, what can be applied shall be applied to giving the veterans homes. It is our duty to do this. It will not be giving the veteran everything he wants. We may not be able to get the bath room as some finicky wife would like it; that is not what we are after. Half a loaf is better than none. So we should get busy. We must get busy. The responsibility is yours, and when you get back home the veterans are going to ask you, "Well, if you could not do all you would like to, did you do the best you could?" If you are forced to say "no," you are going to be a lost ball.

[Mr. SABATH addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I say in reply to the gentleman from Alabama [Mr. PATRICK] that I have had a great deal of experience with veterans' legislation.

There is not a Member of this House who is not a friend of the veterans. Nobody has a monopoly on that friendship. There is a difference of opinion as to how to help the veterans. Right now on this measure, the opinions divide most drastically. There is a difference between doing something for the veteran and doing something to him.

The advocates of this measure calling it a veterans' bill, remind me of an incident that happened near the town of Nettleton where I used to live.

A Negro undertook to ford the creek one night. The creek was up and his horse went down and the Negro was drowned. The next morning all the colored people of the surrounding country gathered, together with a large number of the whites, to try to recover his body. The creek used to go almost dry in the summertime, but a few fishermen had some old rickety boats which they let the Negroes have on this occasion. They filled those boats just as full of Negroes as they would hold. They accidentally ran those boats together and knocked the ends out of both of them. To the

horror of everybody, they went down and filled the creek full of drowning, screaming, plunging Negroes. There was one old fellow, old Uncle Alf, sitting in the stern of one of those boats. He saw what had happened and knew what it meant. He jumped just as far down the creek as he could. He could not swim worth anything, but he would go down, hit the bottom, and come up again, plunge a little, and blow the water out of his nostrils, and then go down again. He drifted down the creek while everybody was trying to get the others out, and eddied in toward the bank and was beginning to reach for a willow limb that hung down over the water's edge. In another moment he would have had it in his grasp, when an old Negro woman saw him, rushed down to the bank of the creek and said, "Lord, look at Uncle Alf." She picked up a great big trunk and pitched it to him; hit him right on top of the head; he went down, and we never saw Uncle Alf again.

That is what I am afraid this measure will do to the veterans.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Chairman, I was very much interested, and I know the Members of the House were, in the very splendid references made in the remarks of the gentleman from Illinois [Mr. DIRKSEN]. Of course, we are all interested in veterans. The only question is how we can best serve them. He spoke of the interest of the Members and the reason for the interest of the Members in the veterans. His reference in his attempt to answer the majority leader was indeed timely and I think sound and wholesome. There is another thought I had in mind when the majority leader was addressing the House this morning, and as others have. They say we should not bring politics into this; that this is commencing to be a partisan issue.

Now, who is trying to bring politics into this? Certainly the Members on my side are not. I think I am the first one who has referred to it, and I am referring to it in the hope that in the future those who are supporting the Patman bill will not try to put those of us in the minority party in the position of trying to bring politics into this bill. There is no place for politics in this bill. If you want to indict us and try to cast aspersions on us, you are casting aspersions on many Members on the majority side of the House, because we see eye to eye with them, according to the votes that have been taken. I hope that in the future those who address the House will not try to bring politics into this bill. We are all interested in the veteran. When he asks for bread we do not want to give him a stone. We want to try to work out a housing bill that will get shelter for the veterans.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I cannot yield now.

The only question is, How are we going to approach it? I think the Patman bill, as I said yesterday, should be

thrown out the window, and I am satisfied that is what will happen. Then the Wolcott bill, which is permeated with a lot of good sense, will be offered. I think that bill furnishes a vehicle on which we can build an act whereby the veteran, when he asks for bread will not be given a stone. I think we can amend that bill so that we can exert the power of this Congress to try to get more housing for the veterans.

Now, some of us point out occasionally why the veteran does not have housing. I have a letter here directed to the gentleman from Illinois [Mr. ARENDS] under date of February 19 from Peter A. Stone, of the OPA. I will burden you with only one paragraph of it, and I quote:

This office, realizing, however, that the demand for building material since VJ-day has rendered price differentials contained in the present regulations obsolete, in connection with the Industry Advisory Committees covering Douglas fir and western red cedar, has arrived at compensatory changes in the regulations which will, we believe, promote the production of building items such as flooring, drop siding, etc., and contemplates discussing this same matter with the advisory committees representing ponderosa pine and redwood within the next 2 weeks.

That letter was dated February 19. For 6 months since VJ-day they recognized, by their own letter, that some of these regulations which have been preventing the production of lumber and building materials, were obsolete, and now, within the next few weeks, they hope to discuss it. Why have they neglected to right these wrongs for 6 months holding back production of building material? Some of us who want to get housing for the veterans must point out that the thing that has brought us to this crisis at the present time has been because of delay in correcting mistakes by the OPA, too much regulation that has prevented the very materials that must be produced in order to get housing for the veterans. Those are some of the reasons for the shortage of material and the great need of housing.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. BUFFETT. That letter is from the OPA, and they say now, in February, that their regulations were obsolete on VJ-day?

Mr. VURSELL. Yes; that is right.

Mr. BUFFETT. And that was 6 months ago?

Mr. VURSELL. Yes; but they are going to discuss it soon with the advisory committees after 6 months' delay.

Now, the gentleman from Texas [Mr. PATMAN] made some statements that we were importing more lumber than we were exporting. I have a letter from the National Retail Lumber Dealers Association from which I wish to read:

NATIONAL RETAIL LUMBER
DEALERS ASSOCIATION,
Washington, D. C., February 27, 1946.
Hon. CHARLES W. VURSELL,
House of Representatives,
Washington, D. C.

MY DEAR MR. CONGRESSMAN: Congressman WRIGHT PATMAN, speaking in support of his bill H. R. 4761, stated on the floor of the House on Tuesday, February 26, that the United States imported three times as much lumber as it exported. That statement is misleading, and I think that the Members of the House are entitled to a true and accurate statement on the export-import situation, and I hope that you will use your good office to inform all Members of Congress as to the true situation.

I am attaching a table showing the export and import figures from 1923 through 1945. The source of this information is the Bureau of Domestic and Foreign Commerce.

You will notice from these figures that during peacetime exports have always exceeded imports. Only since the beginning of the war have imports exceeded exports. You will also notice that during the war the import and export figures on lumber are practically negligible as compared to normal.

It should also be pointed out that normally the Orient was the largest export market. Until 1938 Japan was the leading export market for fir lumber, and until 1940 Argentina was the leading southern pine export market. Until 1936 Germany and Italy were substantial buyers of United States softwoods. Of the total softwoods exported between 30 and 40 percent went to the Orient until 1938, at which time exports of softwoods to the Orient dropped to about 20 percent. Obviously when the war was declared these export markets were cut off. This accounts to a large measure for the very small exports during the war period. Over 90 percent of the softwoods—the type used in construction—have always come from Canada, yet Canada normally only receives from 2 to 6 percent of the softwoods exported from the United States.

As you realize from the attached figures the import and export figures from 1941 through 1945 are practically meaningless, and I believe that if Mr. PATMAN knew all the facts he would not have made the statement on the floor last Tuesday.

Yours very truly,
NATIONAL RETAIL LUMBER DEALERS
ASSOCIATION,
H. R. NORTHRUP,
Secretary-Manager.

Lumber exports and imports

[Millions of board feet]

Year	Exports	Imports
1923	2,465	1,971
1924	2,747	1,742
1925	2,611	1,846
1926	2,826	1,899
1927	3,063	1,744
1928	3,243	1,468
1929	3,197	1,542
1930	2,352	1,219
1931	1,701	748
1932	1,155	381
1933	1,281	359
1934	1,348	287
1935	1,313	438
1936	1,284	662
1937	1,443	688
1938	977	530
1939	1,104	718
1940	972	740
1941	696	1,360
1942	524	1,540
1943	310	855
1944	360	999
1945 ¹	474	1,037

¹ Preliminary and subject to adjustment.

gentleman from Texas has been mistaken and has not given the House the real and proper information as to imports and exports.

Mr. Chairman, I yield back the balance of my time.

Mr. GAVIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have listened with a great deal of interest to this debate on the housing bill and I may say as an overseas veteran of World War I that my concern for the veteran is well known, and I defer to no Member of this House in my interest in the veteran and veterans' affairs. I stand on my record. Instead of the Members of the House confining their remarks to the merits of the bill it appears as though the debate has revolved around whether we are for or against the veterans. Every man in this House is for the veterans. In recent months every piece of legislation presented to the House seemingly centers around the veteran and I personally for one am rather tired of the catalog act that is brought out here on every piece of legislation charging that the legislation is for the veteran. There are other people interested in this housing program who will benefit as well as the veterans, so why bring in the veterans constantly? There are some of us here who have a right to have our ideas on this proposed legislation. Personally I do not like the \$600,000,000 proposal for subsidies. If we are sincerely interested in the veterans why do we bring in the subsidies that we know the veterans will have to help pay for in taxes?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I do not yield at this time. All of last year we talked about our great interest and concern in the veteran, yet we increased the Commodity Credit from \$3,000,000,000 to \$4,750,000,000. Now if we are interested in the veterans why do we want to pay subsidies all the way down the line to add to the tax bill, put off the time of paying, making it necessary for the veteran who has been over there doing the fighting for us to come back home, take off his coat, and go out and find a job and earn the money to pay through taxes for that which we have spent and which we should have paid ourselves, we who at home had security and good wages or salary.

So I want to say right now that through this proposed \$600,000,000 housing subsidy we are again putting off the time of payment until the veteran comes home, gets a job, and has to go out and earn the money to pay through taxes this \$600,000,000 that we are proposing to spend in this housing program.

If we are honest with ourselves and if we are interested in the welfare of the veterans and their families, we will cut out spending, take the shackles off of business, effect economy in the operation of the Government, reduce expenditures, cut down the pay roll, balance the budget, cut out deficit spending and get down to business. Discontinue piling up the national debt which will burden the veteran and his family for the next 50 years. Then we will really

be doing something in a practical way for the veteran and the record will prove our sincere interest in the veteran and his welfare.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, we all know that there will be some 13,000,000 citizens of the United States at a tremendous disadvantage in trying to find houses in the next 2 years. These veterans need our help, since they have been away for 3 or 4 years, and upon returning find all of the available housing taken up.

The veteran is entitled to help, even if a subsidy of \$600,000,000 for extra materials is required in order to try and help get housing for them. I can remember not so many months ago when the gentleman who preceded me voted for the waiving of \$6,000,000,000 in taxes that were due at that time under the Ruml plan and foisted that plan on the veteran while the veteran was away.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I disagree with the distinguished gentleman from Oklahoma when he says that we should grant the \$600,000,000 subsidy for the veteran. He has to pay it anyway. If he does not pay it now he has to pay the taxes to pay the subsidy when it falls due. So what difference does it make?

Mr. MONRONEY. The gentleman makes a very interesting point. The whole solution offered by the gentleman's side has been, well, we will merely raise the price of the veterans' houses and that will cure everything.

Mr. Chairman, OPA is the whipping boy in this whole thing. They say, "We will saddle the present 60-percent increase in housing costs on the veteran that has occurred while he was away fighting, then we will give him another 30-percent increase in home costs and let him pay it."

Mr. GAVIN. Would it not be better to pay the bill now—those of us who had security and big wages pay it now rather than forestall the time until the veteran comes home and he has to pay it?

Mr. MONRONEY. The gentleman apparently has not listened at all to the discussion that has gone on as to what these incentive-production payments are.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, first I ask unanimous consent that the gentleman may be allowed to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I want to ask the gentleman if it is not a fact that although the gentleman from Pennsylvania is very much opposed to the subsidy in this bill he was one of the advocates of subsidies for stripper oil production?

Mr. MONRONEY. I believe that is correct.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. That was at a time when the country was demanding and needing oil.

Mr. MONRONEY. And at this time the country is demanding extra production of construction materials.

Mr. GAVIN. That may be, but the war is over. Let us pay the bill as we go along now. We could not get any relief in the form of an increased price in oil at that time, I may say to the gentleman from Texas [Mr. PATMAN], and it was necessary from the economic standpoint that we get some incentive help or that particular field I represent would have gone out of the picture and would not have produced any oil.

Mr. PATMAN. I agree with the gentleman on that, but this is just as much of an emergency.

Mr. GAVIN. But we ought to pay the bill now, not 2 years from now. We should pay it as we go along.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Colorado.

Mr. GILLESPIE. The gentleman mentioned that the cost of housing has gone up 60 percent.

Mr. MONRONEY. That is the information I have.

Mr. GILLESPIE. A good deal more than half of the 60 percent is in additional wages, is it not?

Mr. MONRONEY. There is some of that in additional wages, but there is a tremendous additional cost in materials, I may add.

Mr. GILLESPIE. That is wages, too, is it not?

Mr. MONRONEY. Materials?

Mr. GILLESPIE. Materials and wages.

Mr. MONRONEY. Perhaps, but there were some pretty good profits and some charge-offs, too.

Mr. Chairman, I have a statement which should interest the committee. The main part of this bill provides for a housing expediter to channel and give priority to veterans in housing. If the Members of the House are not in favor of giving those priorities to the veterans they ought to vote against this bill. But 90 percent of the Members of the House want the veterans to have priorities. They want these veterans to have priorities, so it is necessary to set up a production expediter.

It has been charged that Wilson Wyatt never drove a straight nail in his life or does not know how to saw a 2 by 4 and is not an experienced construction man. I would like to say to the people who have urged this position that he is not an experienced construction man; that intimate knowledge is not necessarily a prerequisite. The best job that has been done by an expediter during my years in Congress was done by Mr. Bill Jeffers in connection with the synthetic-rubber program, and I do not believe he ever made a pound of synthetic rubber in his life before he became a production expediter.

Going to this matter of breaking production bottlenecks that are caused by price limitations—and that has been about 90 percent of the criticism on the Republican side of the aisle—we are asking for an expediter who can break those price bottlenecks and give you a flow of material.

The other feature that I see as important on production subsidies is to bring in not just enough materials to enable us to build about three or four hundred thousand units per year for the veterans but to bring an ocean of materials that will enable us to build a million houses a year for the veterans.

This program has been charged with being communistic and socialistic and harebrained.

I would like to read a statement I received just a few minutes ago from Mr. Wilson-Wyatt, who has just finished attending the National Association of Home Builders at Chicago. I am sure you men on the Republican side of the aisle know who they are. They are the biggest representative group of private-home builders in the country.

This is from Mr. Wyatt:

The National Association of Home Builders in Chicago endorses the following provisions of the Wyatt program without qualification:

(1) Legislation designed to carry out in full the premium-payment program through amendment to the Patman bill.

That is the so-called subsidy provision of \$600,000,000 that I intend to offer when the bill is read for amendment.

(2) Legislation relating to title VI of the National Housing Act through amendment to the Patman bill.

That amendment will be offered by the gentleman from Texas [Mr. PATMAN] and put into this bill when the bill is read for amendment.

(3) Extension of the priorities time limit to June 30, 1947, as reported by the committee in the Patman bill.

(4) The powers to be vested by legislation in a housing expediter now embraced in the Executive order by the President and to be offered as an amendment to the Patman bill and also to be offered by Mr. WOLCOTT in his substitute.

Those are the amendments that the gentleman from Texas [Mr. PATMAN] and I intend to offer, and I believe the gentleman from Michigan [Mr. WOLCOTT] intends to offer a portion of this; that is, embracing in the authority of the housing expediter the same powers that are now given in the Executive order.

So you can see with all the criticism, with all the words of tirade that have been directed against this bill, almost every single item in the bill with the exception of ceilings on newly constructed houses, which are not mentioned here in their endorsement, is provided for in the endorsement. The National Association of Home Builders is composed of the men that we must look to to carry out the major part of this gigantic housing program.

I think it is very significant that the men who know what the material situation is, who know their own inability to find and get the added supplies of material that we must have if we are going to build a million houses a year, come out

and flat-footedly advocate the production incentive program that is offered by Mr. Wyatt and that I will offer as an amendment when the bill is read.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Illinois.

Mr. CHURCH. Who gets the subsidy?

Mr. MONRONEY. The subsidy goes to the small producers who find themselves unable to continue the production of critical supplies of building material either through present price ceilings or through competitive ceilings that might be in existence after price control is out.

Mr. CHURCH. Will the men who passed this resolution get the benefit of that subsidy?

Mr. MONRONEY. No, they get the benefit of the additional supply of materials becoming available, which they, as builders, know does not exist today. They are anxious to work. They have their plans made, but they see across this land of ours submarginal producers that are frozen out of production because they cannot quite produce at the same price at which a big manufacturer can bring out a product and make a substantial profit.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, pursuant to House Resolution 530, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include a newspaper excerpt.

Mr. DIRKSEN asked and was given permission to revise and extend his remarks and include some excerpts.

Mr. GAVIN and Mr. WOLCOTT asked and were given permission to revise and extend their remarks.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include an article appearing in the Post on Mount Vernon.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BLAND asked and was given permission to extend his remarks in the RECORD and include an article from Science.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include a letter he had received from the Industrial Society of Polish Mechanics, Group 3.

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

COMMITTEE ON PATENTS

Mr. HENRY. Mr. Speaker, I ask unanimous consent that the Committee on Patents be permitted to file a supplemental report on the bill H. R. 5311, in order to comply with the Ramseyer rule.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OF BANKRUPTCY ACT

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. HOBBS. This is simply an extension for 15 months of the so-called Lemke Act. It has the unanimous endorsement of the Committee on the Judiciary, and I have spoken to the ranking members of our subcommittee.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 75 (c) (U. S. C., title 11, sec. 203) of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended, be and is amended to read as follows:

"(c) At any time prior to June 4, 1947, a petition may be filed by any farmer, stating that the farmer is insolvent or unable to meet his debts as they mature and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered except as provided hereinafter in this section."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON APPROPRIATIONS

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 537) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the remainder of the Seventy-ninth Congress the Committee on Appropriations shall be composed of 45 Members.

The resolution was agreed to.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 20 minutes.

EXEMPTION FROM ANTITRUST LAWS OF ACTIVITIES AND OPERATIONS OF MUTUAL NEWS-GATHERING COOPERATIVES

Mr. MASON. Mr. Speaker, on November 13, 1945, I introduced H. R. 4665, a bill "to amend the act of July 2, 1890, commonly known as the Sherman Antitrust Act, as amended, so as to exempt therefrom the activities and operations of mutual news-gathering cooperatives."

If the provisions of H. R. 4665 should be enacted into law, it would mean, practically speaking, that the Congress proposes to veto the split decision of the Supreme Court of the United States in the case of the Associated Press against the United States of America, a decision, by the way, which Justice Roberts designated as "Government by injunction with a vengeance."

The passage of H. R. 4665 would also clarify the status of the AP and the mutual news-gathering agencies such as the UP and the INS insofar as the provisions of the Sherman Antitrust Act are concerned. The bill is designed to carry out the clear intent of Congress when it passed the Sherman Antitrust Act, for neither in the debate on the Sherman antitrust bill, nor in the committee report that accompanied the bill, nor yet even in the printed report of the committee hearings on the bill, can be found even a slight indication that the Congress intended the act to apply to the AP or any other mutual news-gathering agency. In fact, I go so far as to say that not one Member of Congress who voted for the Sherman Antitrust Act even dreamed that the provisions of that act would someday be applied to our mutual news-gathering agencies. Yet, in an opinion of the Supreme Court, handed down by Mr. Justice Black on June 18, 1945, it was declared that the AP did come within the provisions of the Sherman Act; that the AP was subject to the provisions of that act; and that the AP must cease and desist from its practices, which the Court considers monopolistic.

In this connection it is interesting and very significant to note one statement Justice Murphy made in his dissenting opinion. I quote:

As I view the situation, the members of the Associated Press were entirely within their legal rights in forming a cooperative organization with facilities for the collection and exchange of news and in limiting the membership therein. Members of an incorporated society, as a general rule, may extend the privilege of membership or withhold it on such terms as they see fit. And if exclusive access to these facilities and reports gave the members of the Associated Press a competitive advantage over business rivals who were not members, that alone would not make the advantage unlawful. In restricting the admission of business rivals they were merely trying to preserve for themselves an advantage that had accrued to them from the exercise of business sagacity and foresight. Such an advantage, as I see it, is not a violation of the Sherman Act. Nor does this advantage require the Associated Press to share

its products with competitors. Such a doctrine would discourage competitive enterprise and would carry the anti-trust laws to absurd lengths.

Mr. Justice Roberts, in calling attention to the inconsistencies and absurdities contained in the majority report, used these words:

I am unable to determine on which * * * grounds the judgment of illegality is rested. The court's opinion blends and mingles statements of fact, inferences and conclusions, and quotations from prior opinions wrested from their setting and context, in such fashion that I find it impossible to deduce more than that orderly analysis and discussion of facts relevant to any one of the possible methods of violation of the Sherman Act is avoided, in the view that separate consideration would disclose a lack of support for any finding of specific wrongdoing.

Mr. Justice Roberts, with his keen analytical mind, insisted that the real question before the Court in the case was:

Are the members of the AP acting together with the purpose of destroying competition?

In answering that question he said:

I have not discovered any allegation in the complaint to that effect. The court below has not made any such finding.

Justice Roberts in his dissenting opinion, which was concurred in by Chief Justice Stone, made a careful analysis of the majority opinion of the Court. In that analysis he uses the following illustration which reduces the opinion to an absurdity:

It is said in the opinion that the bylaws, as obstacles to membership, tend to make it difficult to obtain news furnished by AP or its members and that it is apparent that the exclusive right which AP members have gives many newspapers a competitive advantage over their rivals. But the events of life are open to all who inquire. There is no dearth of those willing to inquire and report those events, for proper compensation. Thus the court must here be holding that if a concern gathers from the air, from the sunlight, or from the waters of the sea, by its effort and ingenuity, something that others have not garnered, it must make the results of its activity open to all, for if it sells to some and not to others the former will have a competitive advantage.

Then Justice Roberts asks:

Have AP and its members intended, or attempted, to monopolize a branch of trade? As I have already pointed out, the events happening in the world are as open to all men as the air or the sunlight. The only agency required to report them is a human being who will inquire. Surely the supply of reporters is not less difficult to monopolize than the events to be reported. * * *

Have the defendants created an organization of such proportions as in fact to monopolize any part of trade or commerce? In answering the inquiry I need do little more than refer to the facts already summarized * * * I cannot perceive how, if AP falls within the denunciation of the statute, UP and INS do not equally, and by the same test. No significant feature of the practices of the one is absent in those of the others.

Justice Roberts concludes his caustic analysis of the opinion as follows:

Suffice it to say that it is a novel application of the Sherman Act to treat it as legislation converting an organization, which neither restrains trade nor monopolizes it, nor holds itself out to serve the public gen-

body suffers—but, of course, most deeply, the poorer classes.

INFLATION POSSIBLE

It is the custom to say that we will not have that kind of inflation here. And, of course, we ought not to have it and there is no excuse for having it. Nevertheless, it is conceivable and it is possible. With our Federal finances out of control, as they almost are now, once we get into that upward spiral of rising prices and rising wages, inherent in the present situation, there is slight chance to avoid it.

Considering these facts, it would seem that solely out of self-interest the holders of Government securities, insurance policies, and savings-bank accounts would cease taking a passive interest in what goes on in Washington and become as active as they know how. It is clear that the two essentials are a truly balanced Federal Budget and uninterrupted industrial production. Certainly, the many millions of small investors are vitally concerned in seeing that nothing is permitted to block these achievements.

To this end the weight of these concerned citizens ought to be solidly behind legislation in Congress that will find some sound way of settling labor-industrial disputes which strangle the economic life of the country and affect the necessities of life for the people. Also, this weight should be unwaveringly against Federal waste and extravagance and in favor of rigid governmental economy.

INDIGNATION IN ORDER

Yet, it is not exerted in either direction. A labor bill, not as comprehensive as it should be but to which few sound objections can be made, has passed the House but has a poor prospect in the Senate where the hint is given that the CIO Senators, who most violently denounced the filibuster on the FEPC bill, will filibuster on the Case bill—if it seems likely to go through.

There should be real indignation about this from the aforesaid 80,000,000 bondholders, etc., but there has been small sign of such. Equally, there should come from the millions of small holders vigorous protest against the phony economy preached by the Truman Budget Message, which isn't economy at all but extravagance.

Not only are there more civilian jobholders on the pay roll today than there were when the war ended, but there is no plan for reducing them—quite the contrary. In addition, it is proposed to spend more in every department in the year beginning July 1 than was spent in the year ended June 30 last. A recent authoritative estimate is as follows: Agriculture, up 22.5 percent; Commerce, up 101.2 percent; Interior, up 47.5 percent; Justice, up 36.8 percent; State, up 144.2 percent; Treasury, up 53 percent; War (civil functions), up 111.1 percent.

TREND TOWARD SPENDING

In brief, we are not going to reduce the Federal pay roll; we are not going to reduce Federal costs; we are not going to reduce the Federal debt. There is literally nothing in the Truman fiscal plans, as one man remarked, "to make any civil-service job holder turn over in his groove."

As under Mr. Roosevelt, the trend is toward spending, not saving. The gestures toward economy are feeble and meaningless. The new State Department propaganda experiment to cost \$30,000,000 has the President's support. So has the \$70,000,000 UNO site and plant (for which we will chiefly pay), though Senator VANDENBERG, a strong UNO man, insists that both as to size and cost, they are ridiculously large. And certainly, without being penny pinching or cheese paring, they seem so.

These two incidents of new expenditures are mentioned here merely as examples. There are plenty of others. It is a dangerous road we travel, made the more so by a Sec-

retary of the Treasury who, apparently, is not interested in economy. At any rate, he sponsored a tax bill reducing Treasury revenue \$7,000,000,000 and exempting 12,000,000 persons from all taxes.

Relationship Between Domestic and Foreign Policies of the United States

EXTENSION OF REMARKS

OF

HON. CHARLES M. LaFOLLETTE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. LaFOLLETTE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a radio address made by me under the auspices of the Indiana Committee for Victory over Station WFBM, Indianapolis, Ind., on February 10, 1946:

I want to talk about the inescapable connection between our domestic policies and our foreign policies and aspirations for future peace. If I were choosing the easy way, or the politic way, I would not do this because it is a subject which many self-styled liberals on international cooperation would like to avoid. As a matter of fact, this connection between our domestic and foreign policy is the most shunned and avoided subject in America today. The failure to discuss it can be fatal to the hopes of the peoples of America and of the world for peace in the future.

In the parlance of the times, "I don't want any part of," the mealy-mouthed, emotional, self-styled liberal on the international issue who, now that a United Nations Charter has been written and the United Nations has come into existence, ostrichlike wants to shut his eyes to the economic truths without which no writings on paper, created by the statesmen of the world, can or will long endure.

You cannot have peace in the world unless you raise the standard of living of the people who inhabit the world. If we assume that this is true, and it is, then we must also understand that you cannot have world commerce and world trade, which is necessary to increase the standard of living of the people of the world, unless you make certain that in the United States of America we have full employment, at wage levels high enough to permit our people to increase their standard of living so that they may consume the products which other people can produce without causing domestic unemployment. I am no starry-eyed visionary when I bring these truths to your attention.

In the event you do not know it, may I remind you that the Committee for Economic Development is an organization of leading hard-headed American businessmen, industrialists and financiers, headed by a Hoosier, Mr. Paul G. Hoffman, of South Bend, who is the president of the Studebaker Corp. This organization just issued a new book entitled "International Trade and Domestic Employment." I now give you two quotations from this book:

"The maintenance of a high level of employment in the United States is the most fundamental condition for keeping in operation a program of international trade expansion. Evidence indicates that the level of our industrial activity is the greatest factor in determining the volume of our imports, on which many countries depend for their purchasing power in international trade."

"If our National Government stands ready to take strong internal measures, whenever necessary in time of depression or threatened depression, to maintain domestic employment, imports need not be feared as a cause of unemployment."

In these quotations this organization has spoken a fundamental truth and they have spoken it forthrightly. In any intelligent use of the term, therefore, their treatment of this subject has been radical, and since I agree with them, I consider it to be an honor and a privilege to stand with these radicals on this issue.

However, you cannot keep a high level of employment in America unless you give to the worker in American industries, particularly mass production industries, the highest possible wage rate at prevailing prices, which are consistent with a reasonable degree of profit to those who own the tools which the worker operates. You must do this because you cannot maintain a high level of industrial activity in America without it. Certainly the experience of the twenties should teach us that. Furthermore, you cannot obtain for these workers this necessary share of the wealth produced by the workers and the owners of the tools unless the workers have strong unions through which to obtain their rightful share of this wealth. Again the experience of the twenties should teach us that. I am speaking of the intelligent approach to this question, evidenced by the best minds in the labor movement; namely, that there must be a raise in real wages; that is, a greater share to the worker of the wealth produced without any appreciable increase in the cost of the product. Anyone who knows anything about production, knows that with the pent-up consuming power presently available in America, we are faced with a period of increased consumption, which means increased number of units produced and, as the number of units produced increases in mass production, the profit per unit increases at the same price level. But this increased number of units cannot be consumed if the owner of the tools takes such a great share of the wealth produced in the form of profits that he repeats the mistakes of the twenties and fails to leave the producers a sufficient amount of money to consume his product.

It follows, therefore, that if you are intelligent, you cannot believe in international cooperation, which depends upon world trade, and at the same time gratify your emotions by labor-baiting, or like a blindly ignorant, uninformed reactionary, cling to theories of economics which in the past have always brought us to depressions and then the wars which follow out of the economic stresses which depressions produce.

Again, if there is to be hope in the world and people are to live in a world in which governments exist with the consent of the governed, without which philosophy there is no freedom in the world, our country must bring the moral leadership to the world which will make this possible. This means that we must assume the leadership which is necessary to say to the white nations of the world, which heretofore have lived by depressing the standards of living and retarding the educational and cultural development of the yellow and the brown and the black peoples of the world, "It is time for you to release your hold and permit these people to realize the freedom which they now desire to attain."

This position is not only sound morally, but it is also again sound from the standpoint of jobs, production, and profits because you can't sell sewing machines, or kitchen ware, or medical supplies and drugs, or oil, or its derivative products, or farm machinery of the simplest kind—let alone radios, ice boxes, bathtubs, and automobiles—to yellow, brown, or black people who receive such a small share of the wealth

which they produce—from under the surface of the earth which they inhabit or from the soil upon it—that they can barely maintain themselves as humans under the most primitive conditions. But these people occupy almost three-fourths of the surface of the earth and offer the greatest potential market for industrial goods in the world today. Therefore, it is not only morally sound but it is good business for this country to furnish the leadership which will strike the colonial fetters from these people and relieve them from the economic injustices to which they have been forced to submit for 400 years. However, if America is to furnish this leadership, it must do so by setting an example in its domestic policy on the question of race and economic suppression of dark-skinned people in our own midst, whether they be Negroes or of Indian or of Mexican origin, which is consistent with the position we are attempting to assert internationally. America cannot send out into the world a clear bell-like tone of moral sincerity upon this question of race and colonial suppression, if we continue to project it from a warped and cracked domestic background. We cannot any longer permit an invidious, irrelevant, and biologically unsound prejudice on the subject of race produce discriminations in economic opportunity in our own country and hope to avoid, out in the world, the charge of hypocrisy, from the white colonial nations of Europe, or the feeling of suspicion on behalf of the yellow and brown and black-skinned people, whom we are professing to help.

It follows, therefore, that even if there are those among us who would attempt to close their eyes to the immorality of our domestic policy on the question of race, they cannot come to me, or to you, or to any intellectually honest person, with a profession of interest in international good will and peace unless they are first willing to take one of the vital steps necessary to bring that condition about; namely, the clearing up of our own situation here at home.

It is one world, my friends. What we do in America determines the effectiveness of our efforts to produce a stable economy and moral justice in the world, without which all of the United Nations documents and all of the provisions for world courts will accomplish nothing in the way of bringing peace to the world or preventing a Third World War. If you fail to understand this, or understanding it, fail to fight for it here at home, then please be honest with yourself and with the world and abandon your claim to being a liberal on the international issue, for your actions make your definition of yourself empty and meaningless.

Housing Stabilization

SPEECH

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 26, 1946

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, before I say anything about the rule, I wish to answer the gentleman from Ohio who charged on the floor that this is a political bill. If aiding the war veterans and the masses to obtain homes is political, then, of course, it is political, but otherwise it is non-political.

This rule provides for spending the entire day in general debate. Tomorrow

the bill will be considered under the 5-minute rule, with ample opportunity being afforded to every Member to offer amendments and express his views.

Personally, I think that if ever there was a need for legislation there is extreme need for this legislation at the present time. You all know of the shortage of housing, of the conditions that unfortunately exist, so it is not necessary for me to explain the need. You all agree that something must be done. Under this bill houses can be and will be built.

I am not going to detain the House any longer than absolutely necessary, but I must state that the delay in granting the rule was due to the fact that some members of the Committee on Rules feared that the Committee on Banking and Currency might offer amendments with which some of the members did not agree.

Members of the Committee on Banking and Currency who appeared before the Committee on Rules indicated that virtually all members of the committee are in favor of the principle of the bill. The members of the Committee on Rules are in favor of the principle of the bill. But there was some apprehension, as I have stated, that certain provisions which already had been stricken from the bill would be offered as committee amendments. The Committee on Banking and Currency has agreed, however, not to offer amendments either to place ceiling prices on old homes or to authorize \$600,000,000 for housing subsidies. Whether such amendments will be offered by any other Member of the House, but not as a committee amendment, I do not know and have no way of knowing. Under the rule, any Member has the right to offer any amendment which he believes will strengthen the bill. I have no doubt but that amendments will be offered which would weaken the bill. I hope no weakening amendments will prevail. We need in this bill all the strength we can give it if the urgent problems of building homes for the American people are going to be solved. I myself believe, Mr. Speaker, that it may be well if an amendment is offered to place ceilings on the resale of old homes, but not on the original sale. In other words, if you own a home and you want to sell it legitimately, you would not be restricted as to the price; but if the purchaser buys it for the purpose of resale, in the role of a speculative dealer, then there should be a ceiling on the resale price; otherwise, speculators may take advantage of the situation and instead of helping the housing program may hurt it.

I feel and am fully satisfied that the Administrator will see to it that houses will be built, and in a short time, I believe, relief will be forthcoming. The gentleman who has been appointed for that important position by the President, Mr. Wilson Wyatt, is an extraordinary man, a man with real ability, a man who is not wasting time. Already within a short space of time he has made tremendous progress. He has constructive ability, and from what I learn from him and others I know he has a plan that will work. He aims to bring about the plac-

ing of a ceiling on all materials that go into home construction to eliminate the shortage. If I am not mistaken, he has also found the solution to the problem of additional labor to aid in the construction of homes through his agreements with the building crafts to take on needed apprentices. He has already taken that up with the organizations so that they will permit additional membership in the various crafts, and thus obtain from two to three hundred thousand additional men in the home construction program.

I fully appreciate from what has been said, from what I have read and what I have heard, that there is a shortage of lumber. There has long been a shortage of lumber. I think Mr. Wyatt is making progress in bringing about increased production of lumber. That is a step in the right direction. However, he also feels that many of these homes can be built out of brick. I know from my own knowledge that brick homes can be built at a very small increase over what it costs to build homes of lumber. Just this morning I have talked with the people who feel they can aid in construction, if they will have an opportunity to start immediately, to produce additional quantities of aluminum. I have been furnished by an outstanding organization a circular which shows that they feel they can aid in building at least two or three hundred thousand homes within a year, with the material they can produce, without any increase in price.

As to the ceiling on new homes, it is absolutely necessary. Personally, some of my very close friends are interested in the construction of these homes, and they have built quite a few and contracted for some, and they think it is wrong that I should be in favor of placing ceilings on the new homes. But I feel that the interest of the war veterans, and of the thousands upon thousands of people in the country who are seeking homes, is greater than profit for a few men here and there, even though they are personal friends.

In that connection I regret that the real estate organizations and the builders' organizations have sent out circulars protesting against this bill. Again, I do not blame them for wanting to make all the money they can, and they are opposed to ceilings, but it is high time that they too should take an interest in the welfare of our Nation and should realize and recognize that the boys who served us across the seas are homeless and are entitled to consideration at our hands.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question.

Mr. SPRINGER. Would this ceiling apply to the building of new farm homes—homes out in the country?

Mr. SABATH. I think it should be applied everywhere on new homes, because even on the farms the contractors out in the country are not in business to lose money. Personally, in view of conditions, I think we should all give a little and not seek too much. I have no objection to contractors and real estate operators making a decent profit. I believe in it. But I am against unreasonable and unfair profits, especially at this time

when thousands upon thousands of servicemen and their families and of other worthy American citizens are without shelter.

I also know there has been and is a great demand on the part of gentlemen who own a great many apartment buildings in various cities, asking that we remove the ceilings on rents. I know some of those people who have acquired many of those large apartment buildings at very low prices during the bad years, and I asked them, "Is not your income at least 10 or 12 percent on your investment?" They say, "But what did the building originally cost?" I said, "But you did not pay that. You paid only 10 or 12 or 15 percent for that building, and therefore your request that we remove the ceilings on rents is manifestly unfair." I am of the opinion that the program provided for in this bill is sound and must be carried out if we are to be honest with our servicemen and with the thousands of homeless families in this country.

Before our committee there was no opposition to the bill or the rule when matters were finally explained. I, therefore, hope there will be no opposition on the floor. There may be some contest on those two questions.

One other question may arise but again I feel that perhaps we should provide adjustment upon buildings that have been started and are in course of construction, that in such case allowance should be made as to costs, because it is not our intention that anyone lose money when in good faith he started to relieve the housing shortage. With that amendment and perhaps with the amendment placing a ceiling on the resale of old homes I think we will have a splendid bill, one in the right direction. It will be in efficient hands. I do not know of any man with whom I ever had any dealings in whom I have greater confidence than the former mayor of the great city of Louisville, Mr. Wyatt, who I think is exceptionally well-fitted for this critically important task and will render great service to the country and expedite the construction of homes.

With that, Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

A Filipino Hero

EXTENSION OF REMARKS OF

HON. CARLOS P. ROMULO

RESIDENT COMMISSIONER FROM THE PHILIPPINE ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. ROMULO. Mr. Speaker, under leave to extend my remarks in the RECORD today, I take pride in paying tribute to a Filipino war hero who embodies the courage and the heroism of those who in Bataan, Corregidor, Leyte, and all over the Philippines, fought so loyally for the United States and the ideals and principles for which this country stands. Man's memory is short. Victory is

here, and in the flush of triumph we are too prone to forget those who served the cause at the risk of their lives. During the first days after the attack by the Japanese on Pearl Harbor, a Filipino aviator, then Capt. Jesus Villamor, recently promoted to lieutenant colonel by General MacArthur, gave a display of matchless courage when in a dilapidated training ship he dared attack a Japanese formation of planes and scattered them, thus bolstering the morale of both the soldiers and civilians at a time when everything was dark and desperate for our side. He was the first Filipino officer to be decorated by General MacArthur with the Distinguished Flying Cross. The President of the Philippines decorated him with the Distinguished Service Star.

After the fall of Bataan, Colonel Villamor was taken by one of General Royce's planes to Australia, from where a year later he was sent by General MacArthur in a submarine back to the Philippines, then under enemy occupation, to contact the Filipino guerrilla leaders and coordinate their activities. Again he displayed the same daring and intrepidity and succeeded in unifying the different guerrilla factions, and because of this he materially helped organize and strengthen Filipino resistance against the enemy. For this he was decorated by the late President Quezon with the Medal for Valor, the highest decoration of the Philippines.

The other day he was decorated in the War Department with the Legion of Merit by Maj. Gen. Charles Willoughby in behalf of General of the Army Douglas MacArthur. If any officer in the uniform of the United States Army deserves such a decoration, Colonel Villamor certainly does. His services to the Allied cause should be recorded in the annals of the war as among those to be remembered forever.

The Filipino people are proud that they have men of the character and valor of Lt. Col. Jesus Villamor, than whom there is no greater living hero in the Philippines today.

Speech Before Fourth Ward Republican Club of Marion County

EXTENSION OF REMARKS OF

HON. CHARLES M. LaFOLLETTE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. LaFOLLETTE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address made by me before the Fourth Ward Republican Club of Marion County at Indianapolis, Ind., on February 15, 1946:

The Republican Party can either save itself and America, and indeed the world, or it can destroy itself and America, and the world. The time for decision has run out, so that the day of decision is upon us.

I am pleased that tonight this audience is made up of people who are closely identified with the fourth ward Republican organization and of voters of that ward, who I pre-

sume, usually vote the Republican ticket in Marion County, or who usually want to vote the Republican ticket.

Basically, there is no difference between the desires, hopes, and ambitions of people who closely affiliate themselves with the organization work of political parties and those who consider themselves only as members of the party because they usually vote that party's ticket. They are the same kind of people; they desire the same end—an America to live in, in which there is the most equitably possible division of wealth which we can produce in America under an economic system and a Government which, at the same time, grant the greatest degree of true freedom—which exists only when we have rule by law, not men.

Very often organization people, so-called, conclude that the average voting-party member is indifferent, impractical, and at times too demanding, considering the fact that usually he only shows up once every 2 years at a general election, and rarely twice every 2 years, in those years that he takes the time to vote in a primary. On the other hand, party members, who are usually nothing but voting-party members, seem to develop the mistaken idea that organization workers are too efficient and officious, and too callous toward the so-called theory of government. Both groups are too often wrong in their judgment of the other, and it is a good thing for them to come together occasionally, just for the purpose of learning that the people in each group are very human people, both trying to attain the same goal. I know this is true, because I have stood in precincts, worked to get out the vote, worked with organizations, and I have also fought organizations. From that I have learned that the reason that people gain recognition in political organizations and are effective in working in political organizations is a very simple one, namely, that they put their time and effort into the humdrum, drab, unpleasant work of getting out the vote, and doing the hundred and one other things which are necessary, if a party is to function successfully on election day.

Therefore, it follows that both party voters and party precinct and ward organization workers have an interest in the success of their party and in the advancement of the best interests of their country. Neither deserves to have the interest of the party jeopardized by the "palace guard," a few people sitting near very high places in the party organization, whose only simple desire is selfish, namely, to manipulate the party for their own interests, or for special-interest groups which they try to serve and protect.

I also understand the difference between the obligations of candidates of political parties and the obligations of party organization workers. It is the duty of candidates to present to the public a program and a policy which will make it easier for the organization workers to secure votes for the party. Nothing has a more deadly effect upon a party worker than to find that the candidates, thrust upon him by high leaders of his party seeking to serve their own or other special interests, represent policies which the public is not interested in supporting.

Therefore, we ought to take a look at the traditions of the Republican Party to see what it really stands for when it is true to its traditions, and then we ought to consider whether the things for which the party really stands are the things which the people want today. I haven't found any Republican yet who is willing to denounce Lincoln, even though I hear a lot of them today who, by their talk, are betraying him. Therefore, it ought to be safe in advocating Republican policy to see what Lincoln said about it.

At New Haven, Conn., on March 5, 1860, in discussing the capitalistic system as he understood it, he said this:

"So while we do not propose any war upon capital, we do wish to allow the humblest

man an equal chance to get rich with everybody else * * * I want every man to have a chance and—I believe a black man is entitled to it—when he may look forward and hope to be a hired laborer this year and the next, work for himself afterwards, and finally to hire men to work for him."

That is basic Republican doctrine, and upon that doctrine I base my republicanism, and I do not intend to be driven from it by those uninformed, historically ignorant Republicans, who are presently running around the country praising something they call "conservatism" and damning something they call "radicalism," but who are actually spouting the Democratic policy of Stephen A. Douglas and his present poll-tax Democratic successors, under a banner of false republicanism. If they are going to do that they should at least be honest enough to denounce Lincoln openly and repudiate him, or to admit that they are so ignorant of Republican tradition that they don't know what the party tradition requires of it today. They can have either horn of that dilemma they choose, but it is about time they grabbed hold of one of them.

Lincoln was espousing the basic principles of radical capitalism—radical in the sense of being fundamental and as stating the only conditions under which capitalism can live and survive, and grow, and become great, as the means of fulfilling the democratic desires of the people, as stated in our Declaration of Independence.

Lincoln was talking about the dignity of the individual. He was stating that people are dignified and have the same basic rights without regard to the color of their skins; that the dignity of man lay inside him, not on the outside of him. He was telling people that, as a part of that dignity was the right of every man to feel a sense of participation in his economic life, a personal interest in the thing which he was producing, and that he had a voice in determining his share of the wealth which he was assisting to produce. If the Republicans, who are declaring that they are going to drive the radicals out of the party and out of office, are denouncing that kind of radicalism, then they are not only denouncing Lincoln, worse than that, they are doing their very best to destroy the stake which the industrialists, whom they think they are serving, presently have in the economic system of America. If these industrialists could take a little time off to observe economic and social trends all over the world, to learn a little about the principles and aspirations set out in the Declaration of Independence to which all democratic peoples aspire, then they would truly say of such Republicans, "God save me from my friends."

So far as I am concerned, I cannot accept the philosophy and theories of the Communists, because I cannot see how the evils of oligarchy and bureaucracy, with their static effect upon the economy or the government of a country, can be overcome, so that the system can remain democratic and therefore a vital, dynamic system, over any extended period of time. Furthermore, I likewise cannot accept the ethics, or rather lack of ethics, to which the American Communists almost invariably subscribe. But I do know this, that the mass of the people, if they are eventually driven to a choice between privately-owned monopolies, in which they feel they have no part and over which they feel they have no control, and if they continue to become so powerful and strong that they stifle the hopes of the people to participate in the things which affect their own lives, then the people will be driven to accept state ownership of the economy of the country and to reject capitalism solely on the theory and with the hope that since they are a part of the country they will have some measure of control over it. I think if the people make that choice, they will be deluded. Certainly they will be deluded if they do not preserve a strong par-

liamentary system. For myself, I am not prepared to accept either of these alternatives without trying, to the best of my ability, to create a capitalistic system in which the people feel they have a part and under which we do not continue to have their never-ceasing concentration of power over our economic life in the hands of a few people, and of wealth constantly increasing in the hands of those who own the tools by which the economy of America is operated.

Now, what are some of the things which must be done to create a capitalism which approximates the standards which Lincoln expounded in his New Haven speech?

First, we must broaden the base of ownership of, and participation in, the decisions which control the operation of our mass-production industries. Certainly a revised form of corporate taxation, in which income taxes are for all practical purposes eliminated against corporate earnings and are taxed directly to the stockholders, will have the effect of helping to eliminate the present condition under which the small stockholder is indirectly paying, under our present high corporate tax rate, a much too great share of the taxes, which should be paid by the large stockholder or extremely wealthy stockholder. It is surprising to me that there are as many small stockholders in corporations as there are today when we consider this inequity in corporate taxation.

Second, the development as an immediate first step of real worker-management cooperation, so that the worker can feel such a sense of participation in the decisions which affect his daily work that we may in good conscience exact of him a higher sense of responsibility. Whether we like it or not, it is increasingly difficult for any man, who feels that he is a freeman, and an intelligent man, to have a real sense of responsibility, when he is working for a wage, no matter how satisfactory, under conditions where he has no personal relationship with the owner of the plant in which he is working, or no sense of participation, in any degree, with the owner in the decisions which vitally affect his life as a worker.

Third, as an additional aid to the cracking up of this concentration of wealth, a system of tax relief incentives for both investors and workers in new industries should be developed and varied, if necessary, in proportion to the new ownership of the wealth involved, in addition to the risks involved.

Fourth, all people in this country must have a feeling that they have an equal economic opportunity with all other people, so that we must at once strike down by Government action those invidious and irrelevant discriminations which arise from prejudices on the subject of race, creed, or color, which are morally and biologically untenable.

Fifth, if we are to maintain a capitalistic system, with its inevitable shifts in consumer desire, and its consequent shifts in manufacturing activity to satisfy that desire, we must make provision for both the owners of the tools and the worker who works with the tools, to be carried over until the owner develops a new business and the worker a new skill, without losing both the buying power and morale of either, or both. It follows that no capitalistic system can successfully operate so as to satisfy the people unless there is maintained a broad, adequate social security system, in the broadest possible meaning of that term.

Sixth, certainly we shall have to keep a high standard of real wages in the hands of the masses of the people in order that the people may consume the goods which they produce with the owner's tools. If the owner takes too much of this wealth, he can't consume his product and he deprives the people of the opportunity of consuming it. Thereby, we create another depression which this capitalistic system can't stand and survive. It isn't only the industrialist who is hurt by that, but all the rest of us

who are trying to preserve the good freedoms which we think are inherent in it.

Seventh, any person who goes around the country today, telling the industrialists and the bankers of America and the middle-class people of America that we are going to have less Government-fixing of rules under which our economy must run than we have had in the past, is a false prophet and telling an untruth. Whether he does so willfully or otherwise is not important.

The greatest check against the dangers inherent to an enlargement of Executive power is a strengthened and revitalized Congress. A Congress strengthened in its machinery, made more fluid and responsive to legislative demands of a majority of the people, and staffed and equipped so well that it will have the ability, not only to inquire with intelligence into problems presented to it by the Executive but also equipped to act as an auditor and as a check upon the activities of the Executive. (This proposal is indeed radical—so much so, that the Scripps-Howard newspapers have been advocating it for over 3 years.) Oddly enough, the so-called conservative Republican leaders, both in Indiana and elsewhere, who are denouncing radicals, have made no contribution, in all their long legislative careers, to the development of this necessary reform. I assure you though, that no man of average intelligence needs to sit in the Congress more than 6 months before the need becomes most apparent.

I have always assumed, because I have represented a lot of them, that businessmen and industrialists and bankers have average intelligence, from which I also assume they should be able to test the sincerity of the public interest and the value of the advice now being offered them by these self-styled conservative Republicans by the fact that they have done nothing about this very necessary reform. Those who can see, let them see; those who can hear, let them hear.

Eighth, another world-wide depression, with the inevitable war which will follow it, will destroy not only the capitalistic system in America but the world with it. Yet, you can't avoid a world depression unless you have world trade. Without world trade you can't have a united Nation, because a charter, no matter how beautiful its words may be, cannot of itself prevent people from going to war in times of economic stress. You cannot have world trade without an economically strong America, and you cannot have an economically strong America without a happy, satisfied, well-paid American people, and you can't have a happy, satisfied, well-paid American people by resorting to the rather negative device of labor baiting. You can only produce such an America by attempting to offer some constructive suggestions for America's economic problems. Therefore, you can't be a so-called liberal on the international issue and privately oppose every constructive attempt to find solutions for the maladjustments in our domestic economy.

I certainly know that the proposals which I offer tonight are not all-inclusive. I do not even believe that everything I have said cannot be said better, or that better proposals cannot be advanced, but I do claim that, more than anything else, I want to produce a system in America under which people can live and be happier and treat each other more fairly and really enjoy living together, so that in this, our country, we may offer to the world a system of economics and government which will come the nearest to solving man's earthly problems. I know this cannot be done without an approach to our present economic system which is fundamental in its character and forthright, and therefore "radical." I further know that a man who is such a political coward that he is afraid to offer proposals on the theory that they might not be popular has no business in public life, because the problems of this world will not be settled by people who close

We shall need to stand vigilantly on guard against any return to lynch law in the transition period from war to peace. With the return of Negro soldiers to their homes, there may be a dangerous tendency to implement prejudice with violence. Economic dislocations exacerbate racial tensions and foment mob hysteria. The comparatively good record of 1945 affords no occasion for complacency. Lynching has not yet been altogether uprooted from our way of life. Its existence even as a threat is a stain upon our society.

The Housing Shortage

EXTENSION OF REMARKS OF

HON. LEON H. GAVIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 21, 1946

Mr. GAVIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Oil City (Pa.) Derrick of February 26, 1946:

CONCENTRATE ON HOUSING

There is not enough being done in this country about the housing scarcity. It is not only a matter for the Federal Government, but for every State and local government where living quarters are woefully short. Like many another problem this one can be licked if we set out to lick it.

Some weeks ago the administration in Washington authorized an announcement that a movement would be launched to provide housing. The plan is in charge of a Mr. Wilson Wyatt. The goal is 2,700,000 homes. But nothing was said as to how this could be done. The contribution is merely one of lip service.

Homes should have priority. Factories, schools, churches, office buildings, and others of that kind can wait. There should be concentration on housing. Take lumber. If we cannot get it from our own mills, let us import it. What are all the cargo ships we built during the war doing? Turn them into lumber ships.

Is labor the bottleneck? Then let us induce young men to get into the building trades. Let us get the unions to cut the apprentice period in two. Let us appeal to their patriotism. Every young serviceman should have a place to live. We owe those boys a tremendous amount of service. They rendered a tremendous amount to us.

There is no sleight-of-hand in making bricks. There is no heavy investment in brick-making plants. It is purely a matter of preparing material, molding, and burning it.

Take plumbing. Let us simplify plumbing. Let us standardize toilets, wash stands, and bath tubs. Let us cut out frills.

There is plenty of glass. There should be plenty of plaster. There is not much to roofing and spouting. Small steam or electric shovels can dig cellars in no time. Tile or cement blocks will furnish good foundations. Sewer and water connections are simple operations.

Let the large industries turn loose all the carpenters, bricklayers, and other builders they can spare so they can go to work on houses.

When we read of spending seven or eight thousand dollars for a six-room frame house it gives us a pain. Under present conditions such prices may be justified, but present conditions are simply atrocious.

During the war we managed to secure mass production of ships, planes, guns, shells, and other material. Why cannot we engage in

mass production of homes? Where are our industrial brains? Where is our fighting spirit? Let us smash the log jams and the bottlenecks.

Some of the fellows who are sitting pretty in these days of shortages will kick. Let them kick and be hanged. There is a big job to be done. There are millions of young married couples without homes. They are living with their parents or other relatives. Many of them have babies to care for. Many of them are living under conditions which are positively distressing.

In a country like America this housing matter is a disgrace. We can build automobiles, refrigerators, washing machines, etc., in great quantity. Then why in the name of all that is holy cannot we build homes for the men who fought for us in Europe and the Pacific; who went through hell for us over there?

It is a community, State, and Federal responsibility that will not be discharged by honeyed words from politicians who, as a rule, do not give a hang for anybody except themselves.

Post Office Workers' Pay

EXTENSION OF REMARKS OF

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. MADDEN. Mr. Speaker, the House Post Office and Post Roads Committee opened hearings this morning on H. R. 5059, known as the Mead-Burch bill, providing for a raise for the postal employees of the Nation. I appeared before this committee and urged a \$500-per-year increase.

The salary of the postal workers of America has not kept pace with the rising cost of living during the last 25 years. Great numbers of their personnel served in the armed forces of the United States during World War II and the added labors of the increased mail load during the war was carried on by an insufficient postal personnel during the late emergency.

The following editorial in this morning's Times-Herald is timely and contains a valuable message to the Members of Congress that immediate and favorable action should be taken on H. R. 5059:

POST OFFICE WORKERS' PAY

The Post Office employees are among the best and most efficient of our numerous Federal civil service workers, barring an occasional officious little sourpuss behind some Post Office wicket; and they are among the worst paid.

Their salaries never were princely. During the depression they took various fancy pay cuts, the deepest of which was 27½ percent, and it was not until the end of 1934 that their salaries got back to the 1925 levels.

THEY DESERVE A PAY RAISE

Since 1934 wages in most industries have been on the upgrade, and a widespread 15 percent boost was granted by the Little Steel formula in 1941. In the period 1925-43 the postal workers managed to obtain an increase in take-home pay totaling only \$1.69 per week. Withholding taxes and retirement deductions are now eating seriously into their salaries, while the cost of living keeps going up.

Bills to raise postal salaries by \$300 a year on a temporary basis have been introduced in Congress by Senator JAMES M. MEAD (Democrat, New York) and Representative THOMAS G. BURCH (Democrat, Virginia). The postal workers would like to raise the figure to \$500.

Certainly it seems to us that in this period of rising living costs and rising wages in private industry these public employees deserve some increase in pay—and that Congress ought to take early and favorable action on their request for an adequate raise.

A Remedy for Strikes

EXTENSION OF REMARKS OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. ROBERTSON of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Henry W. McLaughlin, director of country, church, and Sunday-school extension of the Presbyterian Church in the United States:

Strikes are becoming a national menace. The welfare of the entire consuming public is being threatened. They are, therefore, a matter of public concern. The conflict between the two contending groups needs to be looked into by eyes that have not been blinded by prejudice either against capital or labor. Strikes are caused mainly because labor feels that it does not get a just share of the wealth it produces. And management is irritated by the fact that labor seems to try to get as much as it can for services as small as possible.

The remedy, we believe, lies in the adoption of measures that will make the best interests of both groups more nearly identical. Each faction should be made to see things from the other's point of view.

INSIDE THE CAR

When automobiles first began to be used, a friend of our family was prejudiced against the owners of cars. She asserted they deliberately tried to frighten horses with these new "inventions of the devil." She had a horse and buggy view of the matter. I had just gotten a new car. I valued her good will and friendship. So I asked my wife to invite the lady to take a ride. She enjoyed it immensely. Whenever we approached a horse that shied at the car, she laughed and said, "Now I see it from the inside of the car." It was not very long until she had one of her own.

In Great Britain labor unions in their beginning were largely recruited from the members of the Christian churches, and have continued to be dominated largely by altruistic motives. There is a better understanding between labor and capital than here in America. The two groups seem to work harmoniously, each sharing a definite responsibility in increasing the efficiency and larger productivity of commodities. That kind of teamwork and cooperation seems to be lacking in America. Only where there is such cooperation and teamwork can bargaining between the two groups settle their difficulties. Bargaining to be successful must be between friends, not enemies. Otherwise, it becomes bickering, and bickering settles nothing. When we read in the newspapers that a strike has been settled, we know it has just been patched up. It is like patching an old, worn-out automobile tire, getting ready for another blow-out. It is not much better if the strike is settled by arbitration,

as long as prejudice and hatred survive on the part of both groups. The present antagonistic attitudes are undermining the foundations of both their houses.

A BASIC PRINCIPLE OF ECONOMICS

A basic principle of economics is for each country to produce those commodities which it can at the least cost. The permanent prosperity of a country depends upon the percentage of the agricultural and manufacturing commodities which it can produce more cheaply than other countries. The highest interests of both capital and labor in America are to get and hold foreign markets for our agricultural and manufactured products. Profits too big and wages too high not only work a hardship upon our own buying public, but make it much easier for other countries to underbid us and take away from us our export trade which we now have the golden opportunity to establish.

What America needs is to produce more cheaply, more abundantly, and more efficiently. Strikes are deadly to the welfare not only of the public at large, but also the pressure groups themselves that foment them.

INTERESTS OF BOTH GROUPS THREATENED

Free enterprise and capitalistic economy with all their good features are doomed unless labor can be reconciled. We may think it cannot happen in America, but it has happened in Russia and other countries. Huey Long, with his share-the-wealth proposals, is dead. John L. Lewis can never be President of the United States. But they will have their successors, probably abler and more subtle. As labor discontents grow, prejudice becomes more blinded and hatreds more bitter, agitators will gather to themselves a following that will destroy our present way of American life.

THE BIGGEST GANG

One day I talked with some CCC camp boys. I asked them what they thought of the plan. One of them replied, "My father died and left my mother with a large family of children to support. I was the eldest. I tried to get a job, but failed. I was sent to a CCC camp. I've learned a lot of things, and \$30 a month has been mailed to my mother. In order to keep the family from starving, she had been compelled to mortgage our home and little farm. With the \$30 a month additional to what she and the children could produce, she has been enabled not only to support the family but to pay off the mortgage." I shall never forget the eagerness in the face of the boy just approaching voting age when he added, "They tell me President Roosevelt has a lot of enemies." I replied, "Yes; a lot of enemies." (It was during the campaign when Franklin D. Roosevelt was a nominee for the third term.) The boy then said, "They tell me they have a lot of money." I replied, "Yes; they have a lot of money." The boy then with much satisfaction remarked, "They may have the most money, but we are the biggest gang."

There is food for thought in the fact that this biggest gang of which this youth was a typical representative is fearing large families of children, and, therefore, producing the majority of the future voters of America. The remedy lies in the direction of making laborers sharers in ownership. Owners of property are not easily converted to communism or even socialism.

MIKE'S PIG

The following story illustrates. Mike was an ardent Communist, and loud in his praises of the system. Pat said, "Do you mean to tell me that people who have things have to share 'em with people who haven't?"

Mike: "That's it."

Pat: "Mike, if you had two farms, would you give me one?"

Mike: "Sure."

Pat: "If you had two houses, would you give me one?"

Mike: "Sure."

Pat: "If you had two cows, would you give me one?"

"Sure," was Mike's answer.

Pat: "If you had two pigs, would you give me one?"

Mike: "No, I got two pigs."

Mike was a Communist until it concerned the property he really possessed.

EXORBITANT WAGES NOT THE REMEDY

Labor should have just and fair wages, sufficient to guarantee a comfortable standard of living, but not an extravagant one. Management should have fair and just profits, but not big enough to encourage extravagant living on the part of the owners. Extravagance is fatal to happiness and the best interests not only of adults, but especially of their children. This is true if the possession of too much money leads to spending for useless or harmful things such as intoxicating liquors and gambling. It is true the possession of too much money encourages idleness. Idlers are a menace to society—whether they be idle poor or the idle rich. The Bible teaches charity to the unfortunate, but the Apostle Paul was wise when he wrote to the Thessalonian Christians, "For even when we were with you, this we commanded you, that if any would not work, neither should he eat."

High wages mean high cost of living, so it is a vicious circle. The farmers justly demand and will get a parity of prices. If labor becomes too arrogant and too grasping, management which has to sell in competition with the rest of the world cannot afford to operate. If labor continues to demand ever-increasing wages, capital will be forced to transfer to other countries where factories can be operated to produce goods more cheaply and efficiently. This will inevitably lead to widespread unemployment in America.

THE PLAN

The remedy which I propose is as follows: Require by law that every corporation set aside 10 percent of the annual net profits with which to purchase stocks in the company to be given to the workers annually. In order to protect the laborers from their own follies in selling and spending the proceeds of the stocks on foolish things, it should be required by law that these stocks cannot be sold until the owner reaches 60 years of age. If he should die in the meantime his wife must have reached the age of 60 before the stocks become negotiable. By that time they should have sense enough to keep the stocks and continue to draw the dividends. If they do sell at 60 they will probably invest the proceeds in a home or some other venture that will guarantee security in old age.

The dividends equal to 10 percent of the net profits should be distributed not upon the basis of wages received by individuals, but upon the basis of other standards. These standards by which every worker should be graded should be worked out jointly by a representative of labor, management, and the Department of Labor of the United States Government, the representative of the Government having the deciding vote in cases of disagreement between the other two. The factors determining these standards should be (1) length of time of service with the company; (2) number of hours devoted to duty during the year; (3) the spirit of cooperation and interest in production; (4) efficiency in the performance of tasks assigned. Other facts may be considered. These would all encourage loyalty, efficiency, and a personal interest in the success and profits of the enterprise. When laborers are interested in the profits of a corporation and become actual sharers in their benefits it will do much to remove the motive for strikes, layoffs, and inefficiency.

In order to prevent the owners of big business from consuming the profits in exorbitant salaries there should be a just and fair regulation of salaries to be paid in accordance with the efficiency and character of services rendered by those employed in management. No deadheads should be tolerated simply because they own a large block of stock. Looking at this plan for what it would do over a period of years, it certainly would be to the advantage of owners and operators. It would also be an advantage to laborers who would share in the increase and the profits. They would receive their dividends annually, and at the age of 60 would have accumulated a competency for the security of old age.

It would create a motive that would stimulate good will and cooperative teamwork between management and labor. It would be a remedy for strikes.

Extension of Price Control Act

EXTENSION OF REMARKS

OF

HON. GEORGE E. OUTLAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. OUTLAND. Mr. Speaker, under leave to extend my remarks in the Record, I include the following statement:

FIGHT INFLATION NOW—A CALL TO ACTION

We, the undersigned, call upon members of our organizations, other organizations, and all other citizens to unite now for the immediate extension of the Price Control Act.

The present Price Control Act expires June 30.

If the act is not extended, prices will soar, rents will skyrocket, the value of the dollar will tumble—inflation will have us in its grip.

THE PRICE CONTROL ACT MUST BE EXTENDED NOW

Business should know now whether or not there will be ceiling prices after June 30.

If the Congress waits until June to extend the act, there is danger that some businesses will hold up production hoping that ceilings will go and they can boost their prices.

THE ACT MUST BE PASSED WITHOUT WEAKENING AMENDMENTS

Congress must make it possible for OPA to maintain its standards for holding prices.

If Congress should amend the act to require OPA to grant a price increase whenever there is an increase in cost, or place any similar limitation on OPA's established policy, it would invite the spiral of inflation and destroy the act.

SUFFICIENT FUNDS MUST BE PROVIDED

Congress must provide OPA with a large enough appropriation to maintain its present organization in full force.

The job of holding the line against inflation has never been harder. Lack of funds can be as disastrous to price control as a bad law.

OUR TASK IS CLEAR

We must let every Congressman know that we the people, all of us, want:

Price and rent control for another year.

Immediate extension of the Price Control Act.

No weakening amendments.

Adequate appropriations for the big job of holding the line against inflation.

Helen C. White, President, American Association of University Women; Ralph E. Hemstead, General Secretary, American Association of University Professors; Lelia Massey, Executive Secretary, American

Home Economics Association; Jack W. Hardy, National Commander, American Veterans of World War II (Amvets); Faye Stephenson, President, Congress of Women's Auxiliaries, CIO; Ray Gibbons, Executive Secretary, Council for Social Action of Congregational Churches; Colston E. Warne, President, Consumers Union of United States; Mae Wright Downs, President, Delta Sigma Theta Sorority; Mrs. LaFell Dickinson, President, General Federation of Women's Clubs; Jo Davidson, Chairman, Independent Citizens' Commission for Arts, Sciences, Professions; Katharine Armatage, President, League of Women Shoppers; Bishop Lewis O. Hartman, President, Methodist Federation for Social Service; Mrs. Henry A. Ingraham, President, National Board, Young Women's Christian Association; Mrs. William A. Hastings, President, National Congress of Parents and Teachers; Cecie P. Henry, President, National Congress of Colored Parents and Teachers; Alice Hamilton, President, National Consumers' League; Ruth Craven, Executive Secretary, National Council of Catholic Women; Mrs. Joseph M. Welt, President, National Council of Jewish Women; Mary McLeod Bethune, President, National Council of Negro Women; Willard E. Givens, Executive Secretary, National Education Association; James G. Patton, President, National Farmers' Union; Clyde B. Murray, President, National Federation of Settlements; Anna Lord Strauss, President, National League of Women Voters; Lester B. Granger, Executive Secretary, National Urban League; Rose Schnelderman, President, National Women's Trade Union League; George C. Hatch, President, New Council of American Business; Thomasina Johnson, Legislative Representative, Nonpartisan Council, A. K. A. Sorority; Clark Foreman, President, Southern Conference for Human Welfare; Reinhold Niebuhr, Chairman, Union for Democratic Action; Mrs. Heyman Lowe, President, Women's Auxiliaries of Labor, A. F. of L.; Thelma Stevens, Executive Secretary, Woman's Division of Methodist Church.

Food Subsidies

EXTENSION OF REMARKS OF

HON. THAD F. WASIELEWSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. WASIELEWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Milwaukee Journal of February 21, 1946:

STOP SUBSIDIES NOW

Stabilization Director Chester Bowles asks Congress to continue food subsidies for another year. He is no fonder of the subsidies, he says, than are the farmers and other groups now protesting their continuance. He feels, however, that dropping them would be ruinous at this time. "It would be impos-

sible to make a success of the new stabilization program," he says, "with food prices shooting up."

We think Mr. Bowles is wrong in this. The new stabilization program is a program of economic readjustment. Wages and, to a lesser extent, prices are to be moved up to a new level. They are then to be stabilized at that level, so far as possible. Is there any good reason, while a general readjustment is being made, why food prices should not be permitted to rise sufficiently to compensate for the dropping of subsidies?

If subsidies were dropped, the price of bread should rise 1 cent a loaf. The price of canned vegetables should go up 1 cent a can. Meat prices should climb from 3 to 5 cents a pound. Butter should go up 12 cents and cheese 14 cents. The American food bill thus would be increased \$1,579,000,000 to the consumer—and reduced \$1,579,000,000 to the taxpayer.

It was questionable to allow these subsidies in the first place, for they made food prices unrealistic. It is a mistake to continue them, for the same reason.

Under the present system, with Government paying some of the food bill of every consumer, part of the "drive toward inflation" is being concealed instead of faced. We shall have to face it some day. Isn't it best to face it when we are trying to set a new line against inflation? If we continue the subsidies for another year, it will be still harder to rid ourselves of them. The time to drop them is now.

Will Wyatt's Government Building Plan Wreck an Industry?

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. SHAFER. Mr. Speaker, under leave to extend my remarks I include an excellent study on the housing plan of Expeditor Wyatt by Dr. Willford I. King, one of our Nation's leading economists. Dr. King declares Wyatt's Government building plan, as incorporated in the so-called Patman bill, now being considered, will not only wreck the building industry, but it will add tremendous tax burdens.

This, Mr. Speaker, is a study every Member of Congress should read before casting his vote on the Patman bill.

WILL WYATT'S GOVERNMENT BUILDING PLAN WRECK AN INDUSTRY?

(By Dr. Willford I. King)

On February 8, 1946, President Truman requested Congress to enact promptly the legislation necessary to carry out the housing program, recommended by Mr. Willson W. Wyatt, Housing Expediter.

Mr. Wyatt explains that "private enterprise must assume the leading role in this task, as it did in the task of war production—industry is entitled to a fair return—labor is entitled to a fair return—and that means higher wages, in some contributing industries, where workers have been historically low paid."

TO MEET ANOTHER EMERGENCY

Mr. Wyatt's program is avowedly designed to meet an emergency. Just now, we also have an emergency in sugar, an emergency in wheat, an emergency in automobiles, an emergency in steel, an emergency in transportation. The assumption is, that, as long

as these emergencies continue, it is the duty of government to assist and direct private industry, and that, without such assistance and direction, the emergencies will continue indefinitely.

From the economic standpoint, such a system, in which private industry is supervised by government, parallels the one which Mussolini established in Italy, and called fascism. It is practically identical with that installed by Hitler in Germany, and designated as national socialism. One characteristic of all such collectivist systems is the existence of a never-ending series of emergencies. Why is this true?

The answer is that, when government assigns to bureaucrats the direction of industry, the inevitable result is a failure of supply and demanded to balance.

AN IMPOSSIBLE ASSIGNMENT

The reason for this is that the man has not yet been born who has knowledge sufficient to enable him to estimate, even approximately, the magnitudes of the factors making for supply, and of the factors making for demand. When the Government officials sets the price, it will either be so high that part of the product cannot be sold, or so low that a shortage will develop. We can be sure that, as long as government continues to control either prices or production, we shall always be afflicted with surpluses, shortages, and emergencies.

What is the origin of the present housing shortage? Not long before the war we had a great housing surplus, vacancies were numerous. Second-hand houses, in good condition, were selling at fractions of their reproduction costs. From 1935 on, rising incomes strengthened the demand for houses, and active building continued until the war started. At that time it was rare to find any but new houses selling for more than two-thirds of their reproduction costs, and vacancies were still common. One must, therefore, conclude that in 1942 we had a surplus rather than a shortage of housing.

EMPTY HOMES ARE FEW

Today, by contrast, residential prices have risen sharply, and empty houses are undeniably hard to find. Why? For this situation, there are several reasons:

1. During the war home construction came practically to a standstill. This tended toward a deficiency of home units.

2. At the same time, the Government indulged in an orgy of inflation. This has cheapened the value of the dollar. Wage receipts and the national income have almost doubled. Rents have been held down by ceilings. This is equivalent to depressing rents sharply, in comparison to wages and income—in other words, housing has been made a very cheap commodity. When things are cheap, people buy more of them. Families have spread out, and occupied the previously vacant space.

3. Since, as just mentioned, real rents have fallen, landlords have found the renting of houses unprofitable. Many houses have, therefore, been allowed to deteriorate, until they are uninhabitable.

4. The war added more than a million to the normal number of marriages. Now these new families are seeking independent dwellings.

Mr. Wyatt asserts that "an inflationary spiral would be fatal to the building program." If such is the case, he had as well resign himself to failure.

INFLATION IN CURRENCY

At the end of 1937 the Nation's total currency supply, counting both money and demand deposits, was less than \$34,000,000,000. By the end of 1944 it had risen to \$115,000,000,000. While official figures are not yet available, the indications are that, at the end of 1945, the total amount of circulating medium was at least \$121,000,000,000, or 3½ times the 1937 figure. This means that, in

8 years, our currency supply was inflated by about \$87,000,000,000, or more than 250 percent. Had production remained at the 1937-38 level, the result to be expected would have been a 250 percent price increase.

Fortunately, however, production in 1945 was roughly double that of 1937-38. Under such circumstances, the effect normally to be expected is not a multiplication of the price level by $3\frac{1}{2}$, but instead its multiplication by something like half that amount—or $1\frac{1}{4}$, in other words, a price rise of 75 percent. This probably accords roughly with what has actually occurred. The holding down of certain prices by the OPA has merely accentuated the increases of other prices. Great quantities of goods have been sold in the black market, at high prices. Sellers have surreptitiously advanced the nominal grades on a large variety of other goods. Prices of diamonds have trebled. Stocks have advanced widely. Jewelry has skyrocketed.

Mr. Wyatt's faith that inflation can be prevented by price regulation is akin to that of the man who tries to keep his house cool on a hot day by putting ice on the thermometer bulb. In reality, since the budget is not yet balanced, his program spells more inflation, and more robbery of the thrifty.

SUBSIDY WITHOUT LIMIT

There is no doubt that, now, and indefinitely in the future, veterans and others will stand in dire need of housing. They will be in dire need of food, of clothing, of fuel, of light, of house furnishings, of medical care, and of vacations. If it is the duty of government to furnish them with housing, it is equally the duty of government to furnish them with all these other things.

Experience shows that by far the most effective device yet discovered for providing citizens with the things which they need, is free competition—free enterprise. Neither fascist Germany nor socialistic Russia has been able to hold a candle to American capitalistic industry, as regards output per man-hour. Neither has shown evidence of being able to give to its citizens adequate supplies of those goods, which the citizens have really needed and wanted.

THE COLLECTIVIST PHILOSOPHY

There is an irrepressible conflict between the philosophy of Grover Cleveland, and that of Wilson Wyatt. Cleveland said it was the duty of the citizens to support the Government, and not the duty of the Government to support the citizens. Mr. Wyatt takes exactly the opposite position—that of Fascists, Socialists, Communists, and collectivists in general.

If it be granted that planning by Government is superior to planning by private enterprise, it follows that Mr. Wyatt has probably done as good a job of planning as is feasible. But just where is the evidence that Government can do the job even approximately as efficiently as can private enterprise? After World War I, houses were scarce, just as they are now, but did the scarcity bring national disaster? Everyone knows that it did not. Without governmental aid, private industry soon remedied the shortage.

REMOVE THE CONTROLS

At the present time, if the Government would take off all controls on prices, interest rates, and production, it would not need to engage in a housing program. A million Americans would "take a flyer" on putting up a house or two, and a few would put up dozens or hundreds of houses. The housing shortage would quickly be overcome, and it would not require Government subsidies, Government guarantee of loans, or Government training of workers. With price controls removed, supply and demand would balance, there would be no shortages and emergencies would tend to disappear.

Such would almost certainly be the result if the Government withdrew its support from the tyrannical labor monopolies, which prey upon both workers and the public, by limiting production, raising wage rates so high as to cause mass unemployment, and exacting from buyers unreasonably high prices, not only for houses, but for products of all kinds.

If the Government goes into house building, it will take labor and material away from private builders and wreck the private building industry. Is this desirable? Moreover, on the basis of all past evidence, it is almost certain that any given grade of house will cost the Government far more than it would cost if built by a private builder.

BARRACKS INSTEAD OF HOMES

Furthermore, it is clear that Mr. Wyatt plans to go in heavily for prefabricated houses. These are likely to resemble barracks more than dwellings of the type which Americans generally desire. One of the goals to which the ambitious American aspires is to the privilege of building a house to suit his particular taste. Houses last a long time. Do we want to have the landscape marred for half a century by rows of structures looking more like chicken coops than residences?

It is, of course, undoubtedly true that many veterans and other people as well, will be delighted if Government—that is, the other citizens—will pay part, or all, of the cost of their new houses. However, the fact must not be overlooked that veterans represent most of the families of the Nation. After all, passing the buck to Uncle Sam does not lessen in any way the total cost of the houses. That bill must be paid by someone. What Mr. Wyatt's plan boils down to is that the families of veterans and others who happen to want, and get, the Government-subsidized houses, will be sponging a large part of the cost of their houses off the families of other veterans. Is this a square deal?

POOR REWARD FOR VETERANS

It is well to remember that the veterans do not represent a small and isolated group. Instead, they constitute the majority of the able-bodied male members of a whole generation. There is no feasible way of having one generation supported by others. It seems unreasonable to suppose that the vast majority of veterans are asking for anything of the kind. Everyone is agreed that those who are disabled should be given ample care. But the best present that can be made to the able-bodied young man returning from the war is that he be given an opportunity to climb as high as his talents will allow on the ladder of success, unhampered by artificial restrictions and governmentally-sponsored labor monopolies. Under such conditions, he will not need to lean upon the crutch of Government housing subsidies, as represented by the Wyatt program.

ESSENTIAL FEATURES OF WYATT'S PROGRAM

1. Construction during the next 2 years of 2,700,000 homes, of which all but 250,000, are to be of permanent construction.

2. Preference for veterans and their families, in the rental or purchase of these homes.

3. Appropriate provisions for nonveteran hardship cases.

4. A Government subsidy to builders, amounting to not less than \$400,000,000.

5. Absorption by Government of undue risks in developmental work on new-type materials.

6. Guaranteed markets for materials manufacturers.

7. Purchase by the Government of any houses constructed under the program, if the builders cannot sell them in the open market. Any houses, so purchased, will later

be sold by Government, at the best prices obtainable.

8. The houses are to be sold for not more than \$6,000 each, or are to be rented for not more than \$50 per month.

9. The Government will insure mortgages, up to 90 percent of the value of each home.

10. The Government is to control strictly the prices of materials, and the rents of the houses.

11. Ceilings are to be set, or maintained on rents, and prices of old and new houses, and on building lots in urban areas.

12. One and one-half million additional workers in construction are to be recruited and trained (presumably by Government).

St. Lawrence Seaway

EXTENSION OF REMARKS OF

HON. THAD F. WASIELEWSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. WASIELEWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before a subcommittee of the Senate Foreign Relations Committee with reference to the St. Lawrence seaway, February 22, 1946:

Mr. Chairman, there isn't much that I can add to the wealth of testimony offered in support of the further development of the St. Lawrence route. However, I do wish to take this opportunity to allay the fears of some of the more violent opponents to this important program.

A half century ago when the construction of the Panama Canal was under consideration its principal opponents were the railroads. Then, as now, they were convinced the completion of the project would bring certain ruin. The greatest opposition to the seaway, as was true with the Panama Canal, comes from the eastern railroads. Just how exercised the eastern lines are about the project can be appreciated when one takes into account the fact that as recently as 15 years ago the western railroads were all strong supporters of the St. Lawrence seaway. Apparently their vision has been obscured since that time by the eastern lines.

The railroads really have no cause to fear the competition of the St. Lawrence seaway for at most the commerce carried over this water route will only be a small fraction of the present commerce of our eastern ports, and it is estimated to amount to less than 3 percent of the ton-miles carried by the railroads. The tonnage carried via the St. Lawrence seaway will be largely new tonnage resulting from economic expansion which cannot be realized under the present land-locked conditions of the Middle West. This economic expansion will be stimulated by the seaway and the whole country, as well as the railroads and other opponents of the project will be greatly benefited. The new industries and business that will rise in the Middle West as a result of the seaway will assure expansion of transportation needs which will more than offset any possible diversion of the railroad's traffic.

The power companies and the coal operators, next to the railroads, are the greatest antagonists of the seaway. The power companies are concerned about the possibility of the Government going into the power business. I am opposed to Government entering into competition with private enterprise but have no fear of that possibility in

connection with this project. The power in this instance is but a by-product of the seaway. Since the power is available it should be fully utilized. The power development will not compete with existing power but will be merely supplementary for it will greatly industrialize the areas it serves.

As for the coal industry, it apparently fears the competition from foreign fields. If the fears were well-grounded then all of the cities on the east coast would have taken advantage of the available foreign coal. However, we find that even though there is no tariff on coal the imports amount to only sixteen-thousandths of 1 percent of the total volume of American production. Furthermore, we find that Canada prefers our coal to that of the British Isles even though the British coal can now be shipped in ocean vessels to Montreal. Even today more than 80 percent of the coal needs of Canada are supplied by the United States. As to the effect of the domestic sale of coal as a result of the power project, it has been pointed out that in the TVA area alone, since the advent of this project, the coal consumption has increased fivefold. It is but a fulfillment of the old adage that "new business brings new business."

The completion of the St. Lawrence seaway will permit the rise of new industries which will not necessarily compete with those existing elsewhere but merely complement and supplement them. Therefore we find that organized labor in the State of Wisconsin, the A. F. of L. and the CIO are strongly in favor of the St. Lawrence seaway and have asked that its interest be noted.

The completion of the seaway shall open a new frontier in our national development which will open to world trade the important ports on the Great Lakes. The modernization of the St. Lawrence route will benefit not only the people of the Middle West but the entire Nation. In the long run, it will greatly help those interests that today are attempting to block its attainment. The completion of the St. Lawrence is long past due; let us get on with it in order that the full wealth and productive power of the Middle West and the country as a whole can be realized.

Immigration Quotas

EXTENSION OF REMARKS

OF

HON. ANDREW J. BIEMILLER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. BIEMILLER. Mr. Speaker under leave to extend my remarks in the RECORD, I wish to insert an editorial which appeared in the Milwaukee Journal on February 26, 1946, entitled "Halving Immigration Quotas":

HALVING IMMIGRATION QUOTAS

Effort is now being made by some alarmists in Congress to cut immigration quotas to this country in half for a 10-year period. The cut would apply to all countries, except that the minimum quota figure of 100, now applying to 39 countries and isolated areas, would remain the minimum.

There is no possible excuse for this type of guesswork reduction at this or any other time. If our immigration quotas are to be revised at all, the revision should be made on the basis of a thorough study of all the elements involved. A House subcommittee has already suggested that such a study be undertaken by a commission created expressly for the purpose.

Surely there is no emergency at this time. Present quotas total only 153,879. Great Britain and Ireland account for 83,574, so that the total for the rest of the quota world is only 70,305. The British-Irish quota is never fully used, and in recent years actual admissions have not averaged anything like the half to which quotas would now be reduced.

The country can easily assimilate even the full number allowed to enter under present quotas, if that number should presently be reached because of conditions abroad.

Thus there seems to be no reason for a change in policy. There are several reasons for keeping to the figures established in 1929, one of which is the importance of supporting the general nonisolationist policy of the United States. When, in 1921, this country began restricting immigration, it did so only to keep the number of newcomers down to a point where assimilation would not be too difficult. The present law has achieved that objective. No change should be made in it, except after the most careful study and to correct specific faults.

The Gossett bill should be defeated.

George Washington and His Men at Valley Forge

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. BRYSON. Mr. Speaker, under leave to extend my remarks in the RECORD. I include an address I delivered Sunday, February 24, 1946, in the Washington Memorial Chapel at Valley Forge, Pa.

This was my first trip to historic Valley Forge. On approaching this hallowed spot I felt as if I trod upon holy ground. To be sure, there are many historic places within the confines of our great country, but probably none surpassing Valley Forge.

Years ago, Rev. W. Herbert Burk, D. D., conceived the idea of having each of the several States, through their respective Governors, to officially conduct Sunday services in the Washington Memorial Chapel. February 24 was designated as South Carolina Sunday. The colors of our State were displayed prominently in the beautiful and impressive chapel. I was commissioned by our Governor, the Honorable Ransome J. Williams, to speak for him on this occasion.

Since the passing of Dr. Burk his worthy successor, the Reverend John Robbins Hart, as rector, is carrying the work forward in a very commendable fashion. I am proud to have participated in my State's service at Valley Forge and commend the work most heartily.

The address follows:

Mr. Chairman, ladies, and gentlemen, I bring you greetings from Gov. Ransome J. Williams, of South Carolina, who has commissioned me to speak for him at this historic place on this eventful day. I am greatly honored but approach my task with all humility as I seek to discharge the high trust I bear. Coming as I do for the first time to this hallowed spot, I would interpret some of the sentiments of my fellow South

Carolínians as I discuss the subject of Washington and His Men at Valley Forge.

The army which Washington led at Valley Forge was greatly inferior in numbers and equipment to the enemy which faced it across the river. It was a body of brave, courageous men worse than ill fed, ill housed, and ill clothed. "The men were literally naked," says a famous historian, "some of them in the fullest extent of the word." "Part of them mud, part of them blood, the rest of them—not at all." The situation here at Valley Forge in that cold, bleak winter of 1777 was dark and desperate. It seemed that our fight for liberty was doomed to perish beneath the heavy snows of these wooded hills you and I look out upon today.

But the fight for liberty did not perish here at Valley Forge; it rose up with a spirit that performed the incredible and accomplished the almost impossible. The place where we are now met is not the graveyard of American independence, but the cradle of it. This is indeed hallowed ground upon which you and I stand, my fellow citizens, ground hallowed by the sacrifices and personal privations which Washington and the men of his army endured to win for us the right to live in a free and independent nation. We are the recipients of a goodly heritage.

The only way that we can be worthy of this heritage is to be willing to guard and defend it with the same degree of unselfishness, patriotism, and individual sacrifice which was required to win it for us. In the war that we have just won, I feel that such a spirit was characteristic of the attitude and conduct of the great majority of our people. We could never have won the war without such spirit. The most disturbing signs of the times in which we are now living, however, are evidences of a growing feeling or belief that such spirit will not be required to win the peace.

My friends, the same degree of devotion, willingness to sacrifice, and patriotic service is required to win the peace and to maintain it as was required to win the war. "Unto whom much is given, much is required," says Holy Writ. Much, indeed, is required to meet the opponents of the American way of life who seem to be organizing in an all-out effort to substitute for the principles of free enterprise, which rewards a man for effort, initiative, and merit, the promises of a deadly concept which holds that the government should give a man his sustenance whether he is willing to work for and earn it or not.

It was not so many years ago that the late Speaker of the United States House of Representatives warned:

"There are evidences of certain sinister influences and minorities now seeking to sap and mine the pillars of this temple of freedom. We may have been too tolerant of some of their recent manifestations of subversive treachery. We have sought with rather grim patience to respect the guaranty of freedom of speech; but it may be only fair to admonish all such groups that they take counsel of their prudence lest by going one step too far, it will be too late to escape the wrath and indignation of all real Americans."

We are still waiting with "grim patience" but our patience is tried almost to the breaking point when we reflect upon the price others have had to pay in order to keep the fires of liberty burning. When one thinks what Washington and his weary and bedraggled Army had to endure at Valley Forge, all justification for tolerating such manifestations of subversive treachery ceases to exist.

May we not on this hallowed ground rededicate our own individual lives to the tasks that are ahead of us. Let us seek to emulate the example set for us by George Washington and his followers. Then in truth it may be said, "America, we do not know beneath what sky nor on what sea shall be thy fate. We only know it shall be high. We only know it shall be great."

The British Loan

EXTENSION OF REMARKS
OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 22, 1946

Mr. BENDER. Mr. Speaker, like most questions involving foreign policies, the arguments on the British loan have developed far more heat than light. Those who argue for the loan insist that the only alternative is the opening of a new and destructive trade war between the British and ourselves. In such an economic war all the weapons of the imperial system would be turned against us. The Empire preferential system, which we have been criticizing so strongly in recent years, would be invoked against us. The argument runs that maintaining the British economic structure is vital to our own well being.

On the other side, there are those who assert that our obligations to ourselves as the one great capitalistic government must require our first consideration. They say that Britain has resources in land and colonies which could well be applied against her debts and that before we talk money to the British we should sit down and talk turkey. There are British possessions in the Western Hemisphere which the British have always declared to be economic liabilities. If they are economic liabilities, they are certainly not needed to protect any British interests against us. Before we consent to any outright grant, it would certainly be well for us to discuss frankly the possibility of transferring British possessions in the Western Hemisphere to our Government.

It would be a good idea to talk over aviation landing rights in the British home islands and the development of a trusteeship policy over colonial and mandated lands that would promise some hope of peace in the Near East and in India. This would not be taking advantage of Britain's present needs. On the contrary, I believe it would be a realistic effort to solve some of our problems in a spirit of frankness and businesslike good will. We have had too much secret diplomacy in other areas. Certainly we do not need it with the English-speaking people of Great Britain.

I should like to make one further observation in connection with the British loan. There are many people who still hunger for the good old days when we could regard ourselves as a separate New World. Europe was the old country and we wanted nothing whatever to do with its affairs. During the year 1945, we loaned 11 nations the sum of \$2,458,000,000. The Export-Import Bank has been approached by 6 other countries looking for financial aid. Italy is asking for \$1,000,000,000; China wants about \$2,000,000,000; Poland needs a minimum of \$400,000,000; Finland has requested \$100,000,000. Czechoslovakia and Yugoslavia have just lined up at the window but their figures are not yet in shape to forecast.

There has not yet been news of the lending needs of Russia and France, but it is safe to guess that they will be large. France received \$850,000,000 in 1945, and is now seeking to modernize her industry. Stalin told a Congressman in Moscow last year that his country could use \$6,000,000,000 to reconstruct its shattered economy.

Before we cancel these debts or sanction further loans, let us assure ourselves that our own resources are equal to these drains and that we will not incur an additional burden of taxation which will crush our own industry and commerce. Let us assure ourselves that our debtors will be not only able but willing to repay these loans and that if their purpose be to restore them to prosperity with a view to a lucrative foreign trade with us, that such trade will be worth the investment and that the money will be used for that purpose and not to enrich individuals or to strengthen economic systems hostile and ruinous to our own. We are under no moral or legal obligation to our allies. It was we who saved them from subjugation and it is they who should be grateful to us.

The Housing Bill

EXTENSION OF REMARKS

OF

HON. JAMES C. AUCHINCLOSS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. AUCHINCLOSS. Mr. Speaker, the motive behind the bill under consideration in the House, H. R. 4761, is to provide homes and dwellings for the returning veteran and as has been so well said by the Members in the debate on this bill, there can be no controversy over that objective. Veterans who have returned from the wars, having spent a considerable part of their formative life out of the country defending it from its enemies and thereby having been deprived of securing real estate or planning to build homes, should have every encouragement and every facility offered to them to achieve that aim.

But, does this bill do that? Does this bill make it easy for a veteran to build a home and to finance it? Does it enable him to acquire a priority on the material necessary for the construction of a dwelling, and does it in any way expedite the manufacture and the flow into the market of those materials?

Let us inquire a little bit into the history of the effort made in the GI bill of rights to give a veteran an opportunity to borrow money for the organization of a business or the building of a home, and see how it was worked out. Under the original GI bill, title III, a veteran was enabled to borrow \$2,000 under a guarantee of the Federal Government with the approval of the Veterans' Administration, and after this law was in operation for a short time it was discovered that in making a loan for the purchase of real estate a veteran would have to have two appraisals made, one by the lending

agency and one by a representative of the Veterans' Administration, and the veteran had to pay the appraisal fee on each occasion.

During the first session of the Seventy-ninth Congress, because of many complaints about the complicated procedure required by the Veterans' Administration, as well as the expense involved, the Committee on World War Veterans' Legislation carefully went into this matter and after considerable thought and discussion, amendments to the GI bill were brought to the House for action and subsequently were written in to the law. Under the present law a veteran may borrow up to \$4,000 with a Federal guarantee and only one appraisal is necessary in the purchase of real estate; the maturity date for loans was extended to 25 to 40 years. Loans are now being made under the authority of the revised law.

Now let us see what this bill, H. R. 4761, provides as far as the veteran is concerned. In section 703 (a) it is provided as follows, and I quote from the bill:

The Director is authorized to require any person who owns, holds an interest in, deals in, or offers to sell or to buy any housing accommodations to furnish information under oath or affirmation or otherwise, to make and keep records, and to make reports. * * * The Director may require any such person to permit the inspection and copying of records and other documents and the inspection of housing accommodations.

Here we have once more all the red tape of bureaucracy and the effort which the Congress has spent in trying to make things simple, easy, and expeditious for the veteran in building a home is done away with. The provisions of this bill would certainly make it far more difficult for the veteran to build a house than under the present law.

Now, what does the proposed law do in expediting the manufacture of materials that go into the construction of a dwelling? Under section 705 of the bill it is provided that whenever in the judgment of the Director there is a shortage of building materials, he may regulate or allocate such materials in such manner and under such conditions as he deems necessary and proper, and he may give preference in the purchasing or renting of housing accommodations in connection with this subject.

There is not one provision in the bill which would tend to stimulate the manufacture and production of articles necessary to the construction of a house. It is the testimony of everyone who is at all cognizant of the building industry that a great bottleneck exists in the production and manufacture of housing materials and this is attributed to the policies and attitude of the OPA in maintaining strict and rigid price ceilings, thereby discouraging production. Business cannot operate at a loss, no matter what the New Deal philosophy preaches.

It has been suggested in the debate that subsidies could be paid to stimulate the production of these materials, but as the gentleman from Illinois [Mr. DIRKSEN] so ably pointed out in his remarks yesterday on this subject, a 10-percent increase in the price ceiling for building

materials would be far cheaper for everybody than a Government subsidy. I would add to the remarks of the distinguished gentleman that such a policy would also tend to strengthen our system of free enterprise and not open up another opportunity for Government deficit financing.

Veterans should have priority on materials; veterans should have priority on rentals; veterans should have priority on construction labor; in short, veterans should have priority on everything which goes to the building of a home, but unless the materials used in home building are produced and made available, all these priorities mean absolutely nothing.

In its present form this bill is a hodgepodge of words which, I think, would be productive of very little construction, and whether or not it can be made workable by amendment remains to be seen.

Sign Up and Trust the OPA

EXTENSION OF REMARKS

OF

HON. HARVE TIBBOTT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. TIBBOTT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the Johnstown Democrat, Johnstown, Pa.:

SIGN UP AND TRUST THE OPA

"Sign up and trust the OPA."

That now is the watchword in Washington. That is the advice to industry now facing, or about to face, demands for wage increases.

That is the advice, specifically, being handed out with a straight face to hundreds of fabricators of steel products, of which there are three currently affected in this city.

These plants are facing a double squeeze. They are caught between labor demands for 18½ cents an hour more, on the one hand, and a nine-cent increase of \$5 a ton in the price of the semifinished steel they buy, on the other.

Yet they are told, "Sign up and trust to OPA."

Can they trust OPA? What has been the record of OPA in expediting price appeals in the past? What has been the record of OPA, specifically, in expediting price appeals for the steel industry?

Not good.

The basic steel industry had been dicker with OPA for price adjustments long before the January 21 shutdown over the wage dispute. Months of futile investigation, dozens of endless hearings, had gone on.

The OPA, through a spokesman, admitted to the steel industry that it was entitled to price relief on the basis of the rapidly rising costs of production. Yet, despite this admission, no price increases were forthcoming until a month-long strike over a wage increase threatened the Nation's peacetime economy.

Would it be too cynical to wonder whether the steel industry would not be singling for price relief today if the Government had not been forced to act by the throttling of production due to the strike of 750,000 steel workers?

Now the fabricators—many of whom also had been manufacturing and selling some of their products at a loss, even before the double-bladed increase in the cost of steel and their wage bill—are advised to "sign up and trust to OPA."

When the steel mills shut down over the wage dispute, did the Government say to the United Steel Workers of America, "Sign up and trust" to some alphabetical agency or another?

Now that a general wage-price policy has been established and price increases promised, sooner or later, to steel fabricators, does the Government say to steel workers not yet covered by contracts calling for the 18½-cent wage increase, "Sign up and trust to OPA?"

It does not.

How long will the Government of the United States maintain the labor-industry highway as a one-way street? Is it not about time that Government stopped mixing politics and economics, and settled down to a bit of old-fashioned frankness and honesty and justice for all hands?

As things now stand, the pleader before the bench of governmental bureaus stands an excellent chance of leaving the courtroom with what he wants, or part of it, at least, if he has a couple of thousand potential votes sticking out of his pocket—or a couple of hundreds of thousands of potential votes, as the case may be.

But let the man or the company, which would be doing well if it marshalled half a hundred votes, appeal for deserved relief from Government control, and he is told brusquely, "Sign up and trust to OPA."

We still are supposed to be operating under a republican form of government, the learned counsel to the House Un-American Activities Committee to the contrary. But maybe that gentleman is right, in some degree, at least, when he insists that America is no democracy.

In many respects, we are crowding the line of national socialism. Before and during the war we used to call national socialism nazism. If we continue as we have been, we soon will have to find a new name for it.

Housing Wilderness

EXTENSION OF REMARKS

OF

HON. ROBERT K. HENRY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. HENRY. Mr. Speaker, under leave to extend my remarks, I include an editorial which appeared in the Wisconsin State Journal of Madison, Wis., under date of February 22, 1946:

MOSES WITH A RIGGED COMPASS

If there yet be a simple soul trusting the Federal Government to lead this country out of the housing wilderness, let him ponder Madison's experience, which is on a comparatively small but still important scale.

Long ago, Madison officials took the initiative in trying to solve Madison's emergency housing requirements. They requested the Federal Public Housing (FPHA) to assign us 100 demountable housing units. Possible sites were picked, some selected. Madison made itself ready for them.

"Sure," said FPHA finally, "Madison can have them."

They were assigned, but they never arrived. They were never even found. Lost in the red tape. Buried at the bottom of somebody's "Immediate Action" basket.

Again seeking to care for its own, Madison moved to develop Truax Field as a housing area. Surveys, coats, blueprints were made ready. It would be an expensive proposition, but Madison was willing to bear all that was found necessary. Since the demountable plan to be shared by the FPHA was lost in somebody's shuffle, would the Federals

instead kick through with some financial aid out of the specific sum already provided by Congress?

Now comes the Federal answer:

No. No money available.

But in the same breath comes this as well: The Federals may—just may—develop 100 temporary units at Truax itself, as a Federal project.

And just to make the confusion complete: All this, says FPHA, need not prevent the city's proceeding to develop its own 1,000 units out there at its own expense, for which facilities will be made available "as soon as details can be worked out."

Oh, sure, sure! Back in the basket!

Ah, yes, the FPHA moves in mysterious ways, its own miracles to perform.

But is it so mysterious? No money for a municipal project, but plenty for a Federal plan. How explain that?

There isn't anything puzzling about it.

An agency set up ostensibly to speed public housing and work through, with, and in behalf of localities is doing no such thing. It is part and parcel of the whole New and Reddeal plan to block private and municipal construction and to keep all the power, material, and programs in the grasp of the Washington political bureaucracy.

That's first.

The cold and homeless, fed with high-sounding pap to keep them warm, are strictly second.

Attention United States Senate—Special Attention, Senate Judiciary Committee

EXTENSION OF REMARKS

OF

HON. ROSS RIZLEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. RIZLEY. Mr. Speaker, recently I called attention to the liquidation of two dairies in New Canaan, Conn., by Local 338 of the International Brotherhood of Teamsters, Chauffeurs, and so forth. Further supplementing the statement I made concerning the matter, together with the news article as it appeared in the March issue of the Farm Journal, I include as a part of my remarks under permission heretofore granted for the Appendix of the RECORD, two additional articles, one appearing in the Wall Street Journal under date of January 30, 1946, and the other from the New York Herald Tribune under date of February 2, 1946:

[From the Wall Street Journal of January 30, 1946]

THE MILLER'S MISTAKE: THEY KNEW DAIRYING BUT NOT ABOUT AFL—SO NEW CANAAN BROTHERS, WHO LIKED TO SELL GOOD MILK, HAD TO GO OUT OF BUSINESS.

(By Sydney B. Self)

NEW CANAAN, CONN.—On Monday, a small dairy, started 4 years ago in this community by the three Miller brothers, closed its doors and went out of business.

The Miller brothers were brought up on a farm. They knew the dairy so well that they put all their savings into it. But they reckoned without Local 338 of the International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers, AFL.

The dairy's seven or eight drivers had been called out on strike by the union. The demands were a 28 percent increase in basic pay and a 5-day week which the Millers fig-

ured, would boost their pay roll more than 50 percent. The union, according to the brothers, also was asking for a 66½ percent increase in commissions.

Furthermore, the proffered union contract barred the Millers from doing manual work around the dairy. They have been putting in a 7-day week and doing more than half the labor as well as driving the trucks in a pinch. Union negotiators said they would let the Millers work, but refused to put this concession in writing.

TWO HUNDRED PICKETS IMPORTED

Last week-end was probably the most trying in the lives of the Millers.

Their striking drivers represented only a corporal's guard, but the union sent a small battalion of pickets from out of town—about 200 to 250—to police the dairy. A detachment of 60 Connecticut State troopers came too, to keep order. Women customers who came to get milk for their babies had their auto tires slashed.

The few Miller employes who were not among the pickets decided they had enough. They quit. The Millers, too, decided they were through.

"We would merely be signing a petition of bankruptcy in advance," said William C. Miller, dairy president, in an open letter to Frederick Conrad, union president, explaining the closing of the dairy.

Like other small businesses, the Millers do not keep a staff of cost accountants. But they can add. They figured something like this:

They had a pay roll of \$455 a week which would be raised by the proposed union wage scale to \$600 or \$700 a week, not including the higher commissions which were demanded.

The brothers sold about 2,000 quarts of milk daily at retail for 16 cents, and paid 9.5 cents, higher than the going wholesale rates. That's because they sold only Jersey or Guernsey milk which, they say, is the richest in cream. Plus some small wholesale business that they performed, this brought their net to around \$144 a day, or say \$1,000 a week.

MILLERS FEEL THEY CAN'T MEET DEMANDS

Subtracting \$700 wages from \$1,000 would leave \$300 for the salaries of the Millers who would not be allowed to work. Then there would be the additional costs for trucks, gasoline, pasteurizing, bottles, and other operating costs.

So the Millers, even without cost accountants, figured that it simply couldn't be done.

The union had a solution. It proposed, according to William C. Miller, that the brothers sell their business to a larger concern which could meet the union's demands.

"We will not sell our customers," was Mr. Miller's answer to this proposal in his open letter to the union's Mr. Conrad. His letter continued: "If we cannot give them (the customers) our product—the product they have come to know and trust—we will not ask them to blindly go to another, merely because we have turned over to that other our route books and have written glowing praises of our purchaser, obviously put into our mouths."

New Canaan is a small commuting village where people like Jersey milk with plenty of cream. Big dairies sell "standardized milk," with butterfat content brought down to the legal minimum, well below the butterfat content of the whole milk from Jersey and Guernsey cows sold by the Millers. The brothers built up their business by supplying the local demand for richer milk.

In closing his letter to the union, William Miller says, "You have won a brilliant victory. I applaud you but—the golden goose is dead, the eggs are no more."

[From the New York Herald Tribune of February 2, 1946]

THE CASE OF THE MILLERS

One of the first rules of sound journalism is that news and editorial comment should be strictly segregated. Nevertheless, every so often a news story bobs up which, without any conscious effort on the part of the writer to make it one, turns out, through its sheer simplicity and factuality, to be as effective an editorial as any that could be purposefully contrived.

Such a story is the half-column account sent in to the Wall Street Journal this week from New Canaan by Staff Correspondent Sydney B. Self on what happened to the Miller brothers of that little community, which borders on Stamford, Conn. The Millers, Mr. Self explains, are three brothers, who were brought up on a farm, knew all about dairying (and put all their savings into it), but who had "reckoned without Local 338 of the International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers, A. F. of L."

"Last week end," writes Mr. Self, "was probably the most trying in the lives of the Millers." The union had called out their drivers, demanding a new contract which was tantamount to a 50-percent increase in the pay roll, asked for an increase of 66½ percent in commissions and barred the Millers from doing any manual work around the dairy. Although the Millers had only seven or eight drivers working for them, the union sent in from 200 to 250 pickets from out of town to police the dairy (which necessitated the use of 60 State troopers to maintain order). When women customers drove up to the dairy to get milk for their families the tires of their cars were slashed.

The employees decided they had had enough and quit. And the Millers followed shortly. The Millers didn't have an accounting staff, but they could add and subtract, and they got out paper and pencil and did just that. Their business (around 2,000 quarts a day) grossed about \$1,000 a week, out of which a \$455 pay roll had to be met, in addition to the cost of trucks, gasoline, pasteurizing, bottles, and other necessary expenses of doing business. It did not take much figuring to see that with the pay roll jumped to between \$600 and \$700, themselves barred from working and with other expenses continuing as usual the Miller brothers, as they wrote to Frederick Conrad, union president, in signing the proposed contract would simply be "signing a petition of bankruptcy in advance."

The union had a solution for this problem. Why, they suggested, didn't the brothers sell out to a larger concern, which would be better able to meet the union's wage demands? To this the Millers, who had built up a quality business, with butterfat content of the product well above the legal minimum, answered with a flat refusal. "We don't propose to ask our customers," they declared, "to go blindly to another, merely because we have turned over our route books and have written glowing praises of our successor—obviously put into our mouths."

The battle between the powerful teamsters' union and this little Connecticut enterprise was short, and the defeat was a crushing one. But it was more than a defeat for the Millers; it was one more defeat for the thing that over the years has been this country's greatest source of strength—the right of an American citizen to go into business for himself with a fair chance of making a success of it if he works hard and produces something that the community wants and needs. That is the essence, not only of free enterprise, but of the only kind of equality that is consistent with the dignity of man—equality of opportunity. There are many threats to that system today, but none is

greater than that presented by organized labor grown to manhood with respect to power, but with no corresponding increase in responsibility. As Congress prepares to write a new labor law, one could wish that every member had the case of the Millers before him. Because the case of the Millers is neither more nor less than today's labor problem in America presented in simple microcosm.

Southern New England Farm and Home Show

EXTENSION OF REMARKS

OF

HON. AIME J. FORAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. FORAND. Mr. Speaker, on February 21 the Southern New England Farm and Home Show was held in the Cranston State Armory, Providence, R. I. Part of the proceedings were broadcast and I offer for printing in the RECORD the radio round-table conference held on that occasion. It sets forth very forcefully Rhode Island's position in agriculture.

Mr. John Johnson, of Newport, R. I., the president of the Rhode Island agricultural conference, opened the program and introduced Dr. Raymond G. Bressler, who led the discussion. It follows:

Mr. JOHNSON. It is a high honor and personal privilege for me as president of Rhode Island Agricultural Conference to introduce our efficient and popular State director of agriculture, Dr. Raymond G. Bressler, who will act as toastmaster and conduct the radio round table.

Mr. BRESSLER. The applause you are hearing is coming from the banquet hall of the Cranston Street Armory in Providence, R. I. The occasion is the revival of the winter farm show which was abandoned during the war years.

In keeping with the spirit of the new era we are coming out in new clothing and with a new name. Henceforth, we will be known as the Southeastern New England Farm and Home Show. This emphasizes the economic boundaries of our State rather than its political boundaries. This is the occasion when we wish to show the agriculture of Rhode Island, eastern Connecticut, and southeastern Massachusetts to the rest of the world. And we also wish to show our own folks what the rest of the world has developed by way of implements, machinery, equipment, insect and pest controls, and food and feed products for the farm and home to make their everyday work less burdensome and more attractive.

We have discovered during the last 4 weeks, however, that we may be a year too early. No one anticipated last summer that we would run into February 1945 with much of the new equipment for the farm and home still in the making stage. It appears now that we are ahead of the manufacturing and that we shall have to wait another year before we can show you all the good things we had planned. Let us hope, in the meantime, that labor and management will adjust their differences and get ahead with the main business of making the things you and I wish to buy.

There is a great gathering here tonight of farm and city folks, ladies and gentlemen of the radio audience. Following the banquet

7/2/00
1

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 36

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 4, 1946, for actions of Friday, March 1, 1946)

(For staff of the Department only)

CONTENTS

Adjourned.....9,17	Housing.....1,9,12,27,32	Public roads.....21
Alcohol.....3	Insecticides.....26	Rationing.....2
Appropriations.....5,8,9,10	Labor, farm.....28	Reclamation.....18
Civil service.....30	Legislative program.....9	Research.....6,16
Electrification.....22,33	Loans, farm.....20	Soil conservation.....33
Extension work.....19	Marketing.....26	Subsidies.....11,32
Feed shortage.....33	Personnel.....5,9,14,25,30	Sugar.....2
Flood control.....13	Price control.....7,27,29,32	Territories.....19
Forestry.....6	Property, surplus.....33	Transportation.....15,31
Grain.....4,33	Public debt.....23	War termination.....24,32

HIGHLIGHTS: Both Houses appointed conferees on measure authorizing 1946-program subsidies. Senate passed urgent deficiency appropriation bill. House continued debate on Patman housing bill. Agreed to Committee amendment to provide for price control on only new housing.

HOUSE

1. HOUSING. Continued debate on H. R. 4761, the Patman housing bill, which provides for price control and subsidies (p. 1865-84). Agreed, 154-68, to the Committee amendment to provide for price control on only new housing (pp. 1865-73).
2. SUGAR RATIONING. Rep. Phillips, Calif., stated that sugar certificates have been sold in the Los Angeles OPA office (p. 1885-6).
3. ALCOHOL. Rep. Rees, Kans., criticized use of food for liquor (p. 1886-7).
4. CORN SHORTAGE. Rep. Jenkins, Ohio, criticized the corn shortage and stated that there are "conflicting agencies" dealing with the matter (p. 1863).
5. PERSONNEL; APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$175,000 for the Civil Service Commission. To Appropriations Committee. (H. Doc. 492.) (p. 1887.)
6. FORESTRY RESEARCH. Received a Monroe, Wis., Chamber of Commerce resolution favoring a forestry-research station in Wis. (p. 1888).
7. PRICE CONTROL. Received a Woodbury, N. J., Council resolution favoring exemption of States and subdivisions from price-control regulations (p. 1888).
8. APPROPRIATIONS COMMITTEE. Reps. Neely, W. Va., and Flood, Pa., were elected to this Committee (p. 1862).

9. ADJOURNED until Mon., Mar. 4 (p. 1887). Majority Leader McCormack announced the program for this week, as follows: Mon., consent calendar, followed by Patman housing bill and agricultural appropriation bill; Tues., private calendar, followed by agricultural appropriation bill, second appropriation rescission bill, and civil-service retirement bill during most of the remainder of the week (p. 1863).

SENATE

10. URGENT DEFICIENCY APPROPRIATION BILL. Passed with amendments H. R. 5458, which contains the \$100,000,000 loan authorization for REA (pp. 1834-52). Rejected, 52-23, a Committee amendment to give EPC authority to determine areas where RE generating plants may be constructed (pp. 1834-52). Had previously agreed to amendments reducing amounts for CPA and OPA. Sens. McKellar, Glass, Hayden, Tydings, Russell, Brooks, Bridges, and Gurney were appointed conferees (p. 1853).
11. SUBSIDIES. Both Houses appointed conferees on H. J. Res. 301, to authorize payment of subsidies for the 1946 programs (for provisions see Digest 33). These were Sens. Barkley, Downey, Murdock, Tobey, and Taft; and Reps. Spence, Brown, Patman, Wolcott, and Crawford (pp. 1853, 1865).
12. HOUSING. Received a Calif. Legislature resolution favoring S. 1592, to establish a national housing policy (p. 1828).
13. FLOOD CONTROL. Received a Barnes County (N. Dak.) Board of Commissioners' resolution urging the construction of the Bald Hill Reservoir on the Sheyenne River, N. Dak. (p. 1830).
14. PERSONNEL. Received a report from the Public Lands and Surveys Committee showing employees detailed to that Committee from this Department during February, 1946 (p. 1830).
15. ST. LAWRENCE WATERWAY. Sen. Langer, N. Dak., inserted former President Herbert Hoover's letter favoring this project (p. 1834).
16. RESEARCH. Discussed S. 1248, to establish a Bureau of Scientific Research in the Commerce Department to handle patent and invention research and offer the results to the public (pp. 1853-5).
17. ADJOURNED until Tues., Mar. 5 (p. 1859).

BILLS INTRODUCED

18. RECLAMATION. S. 1881, by Sen. O'Mahoney, Wyo. (for himself and Sen. Hayden, Ariz.), to provide for the flow of revenues from Federal reclamation projects into miscellaneous receipts of the Treasury and to provide that revenues from Federal reclamation projects hereafter financed wholly from general funds of the Treasury shall be converted into miscellaneous receipts of the Treasury. To Irrigation and Reclamation Committee. (p. 1831.) Remarks of author (p. 1855).
19. EXTENSION WORK; TERRITORIES. S. 1884, by Sen. Langer, N. Dak., to authorize an appropriation of \$3,750,000,000 to establish and maintain agricultural colleges in Alaska, Hawaii, and Puerto Rico. To Agriculture and Forestry Committee. (pp. 1831, 1856.) Remarks of author (p. 1856).

20. CROP PRODUCTION AND HARVESTING LOANS. S. 1885, by Sen. Langer, N. Dak., to prohibit loans to Great Britain until certain crop production and harvesting loans made under the Act of Jan. 29, 1937 shall have been cancelled. To Agriculture and Forestry Committee. (pp. 1831, 1856-7) Remarks of author (pp. 1856-7).
21. PUBLIC ROADS. S. 1886, by Sen. Langer, N. Dak., authorizing appropriations for making loans to States to enable them to construct and repair secondary and feeder roads. To Post Offices and Post Roads Committee. (pp. 1831, 1857) Remarks of author (p. 1857).
22. ELECTRIFICATION. S. 1887, by Sen. Langer, N. Dak., to authorize an appropriation of \$3,750,000,000 for the purpose of rural electrification. To Agriculture and Forestry Committee. (pp. 1831, 1857.) Remarks of author (p. 1857).
23. PUBLIC DEBT. S. 1890, by Sen. Langer, N. Dak., to reduce the U. S. debt limit by \$3,750,000,000. To Finance Committee. (pp. 1831, 1858.) Remarks of author (p. 1858).
24. WAR TERMINATION. S. 1892, by Sen. Langer, N. Dak., to declare the termination of the present war for purposes of war legislation. To Judiciary Committee. (pp. 1831, 1858.) Remarks of author (p. 1858).
25. PERSONNEL; RETIREMENT. H. R. 5643, by Rep. Andresen, Minn., to amend the Civil Service Retirement Act of 1930, so as to make such act applicable to officers and employees of national farm-loan associations and production-credit associations. To Civil Service Committee. (p. 1887.)
26. INSECTICIDE ACT. H. R. 5645, by Rep. Flannagan, Va., to regulate the marketing of economic poisons and devices. To Agriculture Committee. (p. 1888.)

ITEMS IN APPENDIX

27. HOUSING. Speech in the House by Rep. Douglas, Ill., favoring the Patman housing bill (p. A1113).
Rep. Shafer, Mich., inserted two Mich. Retail Lumber Dealers Assn. resolutions urging removal of controls on building materials (p. A1128).
Extension of remarks of Rep. LeFevre, N. Y., opposing price controls on building materials (pp. A1135-6).
Rep. Rowan, Ill., inserted a Chicago Sun article endorsing Wyatt's plea to builders for "full effort, full participation, and full cooperation" on his housing plan (pp. A1137-8).
Speech in the House by Rep. Sabath, Ill., favoring the Patman housing bill (pp. A1140-1).
28. FARM LABOR. Rep. Plumley, Vt., inserted a constituent's letter complaining of the farm labor situation (pp. A 1119-20).
29. PRICE CONTROL. Sen. Bridges, N. H., inserted Robert R. Wason's radio speech favoring the discontinuance of price control in order to prevent inflation (pp. A1124-5).
30. PERSONNEL; CIVIL SERVICE. Rep. McCormack, Mass., inserted Harry B. Mitchell's letter and memorandum summarizing the new program for holding examinations for regular civil-service appointments (pp. A1136-7).

31. ST. LAWRENCE WATERWAY. Rep. Plunley, Vt., inserted Clarence E. Cleveland's Morrisville Rotary Club address opposing this project (pp. A1143-5).
32. RECONVERSION PROGRAM. Sen. Taft, Ohio, inserted his speech criticizing various phases of the President's reconversion program, mentioning full employment, war powers, price control, subsidies, health insurance, military training, housing, etc. (pp. A1107-8).
33. FEED SHORTAGE; SOIL CONSERVATION; RURAL ELECTRIFICATION. Rep. Johnson, Tex., inserted his statements favoring delivery of "substantial quantities" of protein feed to Tex., the Poage soil-conservation surplus-property bill, and rural-electrification loans (pp. A1125-6).

COMMITTEE-HEARINGS ANNOUNCEMENTS for Mar. 4: S. Mead Committee, surplus-property disposal; S. Banking and Currency, housing bill (ex.); S. Foreign Relations, St. Lawrence waterway; H. Appropriations, deficiency (ex.); H. Irrigation and Reclamation, reclamation powers; H. Judiciary, war-powers extension; H. Ways and Means, social security; H. Banking and Currency, OPA continuation..

oOo

For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

- oOo -

sion, and at a later date I will discuss further with the Congress the need of appropriate legislation.

HARRY S. TRUMAN.

THE WHITE HOUSE, March 1, 1946.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and to include therein a letter with an enclosure containing information which many people, particularly veterans, might consider important, the letter and enclosure having been sent to all Members, I assume, including myself, by Harry B. Mitchell, President of the United States Civil Service Commission.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CANFIELD asked and was given permission to extend his remarks in the Appendix and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a speech by Secretary of State, Hon. James F. Byrnes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include therein a statement made by Henry J. Kaiser before the Committee on Banking and Currency this morning.

AMENDING PUBLIC LAW 30, SEVENTY-NINTH CONGRESS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN. Mr. Speaker, reserving the right to object, is this agreeable to the gentleman from Michigan [Mr. Wolcott]?

Mr. SPENCE. I informed the gentleman from Michigan [Mr. Wolcott] at a meeting of the committee this morning that I was going to ask for the appointment of conferees.

Mr. MARTIN. And he has no objection?

Mr. SPENCE. He has no objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky. [After a pause.] The Chair hears none, and appoints the following

conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, WOLCOTT, and CRAWFORD.

EXTENSION OF REMARKS

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD and include a recent radio address delivered by him.

Mr. D'ALESSANDRO asked and was given permission to extend his remarks in the RECORD and include a statement he made before the Civil Service Committee on increases for white-collar workers.

SPECIAL ORDER GRANTED

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that, after the legislative business and any other special orders today, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

CALL OF THE HOUSE

Mr. SAVAGE. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Adams	D'Ewart	McGregor
Allen, Ill.	Dworshak	Mathews
Almond	Fisher	Marrow
Baldwin, Md.	Gardner	Mills
Baldwin, N. Y.	Gifford	Neely
Beall	Gossett	O'Hara
Bender	Gwinn, N. Y.	O'Konski
Bennet, N. Y.	Halleck	Peterson, Ga.
Bolton	Harless, Ariz.	Pfeifer
Boren	Harness, Ind.	Powell
Bradley, Mich.	Hart	Randolph
Bradley, Pa.	Hedrick	Reed, N. Y.
Camp	Hefferhan	Rivers
Cannon, Fla.	Hinsbaw	Robinson, Utah
Cannon, Mo.	Hoch	Robson, Ky.
Case, S. Dak.	Holmes, Mass.	Roe, N. Y.
Celler	Howell	Sasser
Chapman	Jarman	Schwabe, Mo.
Chipfield	Jennings	Short
Clark	Johnson, Calif.	Simpson, Pa.
Clason	Keefe	Slaughter
Cole, Kans.	Keogh	Taylor
Corbett	Kerr	Thomas, N. J.
Courtney	Landis	Tibbott
Curley	Lemke	Tolan
Daughton, Va.	Luce	Walter
Dawson	Lyle	Weaver

The SPEAKER. On this roll call 349 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the Clerk will report the pending committee amendment.

There was no objection.

The Clerk read as follows:

Committee amendment: On page 5, after line 9, insert the following:

"(c) Witnesses subpoenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(d) The Director shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information.

"(e) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 5, line 21, after "accommodations", insert "the construction of which is completed after the effective date of this title."

PRICES ON EXISTING HOMES

Mr. PATMAN. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I know it is an unusual situation, and possibly the Members do not understand why I should be in opposition to the committee amendment. The situation is this. We commenced hearings on this bill December 3, 1945. We had hearings for 2 months. The bill covers everything that is in the present Truman-Wyatt program, but not in the way and manner that Mr. Wyatt wants it in the bill. He wants a little change here and there. So when we reported the bill out at noon, I believe, on February 8, it was our understanding that when Mr. Wyatt submitted his program we would try to conform the legislation to fit the Wyatt program. Mr. Wyatt came out in favor of fixing prices on existing homes. We had adopted an amendment, the amendment which we are now considering, which will in effect prevent prices being fixed on existing homes. So when you add the language on page 5, lines 21 and 22 "Whenever in the judgment of the Director the sales prices of housing accommodations, the construction of which is completed after the effective date of this title," that restricts it entirely to new houses built hereafter.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Mr. Chairman, this matter is so important I ask for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, I want to ask

the gentleman from Texas whether later in the day there is going to be an attempt to shut off debate.

Mr. PATMAN. No such attempt will be made by the gentleman from Texas.

Mr. HOFFMAN. And those acting with you?

Mr. PATMAN. I cannot speak for anyone but myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SMITH of Ohio. What is the definition of completed construction?

Mr. PATMAN. A completed construction, I would think obviously, would be a house that is finished after the effective date of this title. I think it presupposes a new house. I do not see how it could refer to anything else. Anyway, that is the interpretation which was placed upon the amendment in the committee hearings and in the committee report. I do not know of any other interpretation that has been placed on it.

This is really one of the major things in Mr. Wyatt's program which he wants and without which he says he cannot do a good job. Remember that. The President of the United States and Mr. Wyatt both say that unless Congress cooperates with them to the extent of giving power to Mr. Wyatt to fix prices on existing homes this program cannot be a success. I refer to the program which Mr. Wyatt has adopted which contemplates the construction of 2,700,000 homes this year and next year and which Mr. Henry J. Kaiser said before our committee this morning was not only possible and probable, but that that number could actually be exceeded. Mr. Kaiser urged us to cooperate with Mr. Wyatt 100 percent, with the assurance from him that if we do so this housing shortage will be over at the end of 1947. So I urge Members of Congress to consider this—that here we have a program formulated and endorsed by the President by which he says we will relieve this housing shortage in 2 years if Congress will do its part. The President says, "I cannot do it by myself. Mr. Wyatt cannot do it because he does not have the power, but if you will give him the power—one, to fix prices on existing homes—then we can get this job done." Let us see how reasonable that is. I would not think of having people go out and attempt to appraise different houses all over the country and say, "John Jones' house is worth so much." In the first place, you would never find enough qualified appraisers to do the job. In the second place, there would be too much regimentation and rules which I do not think the people would stand for. I do not believe they would. We know we must do something about fixing prices on existing homes. You just cannot let matters go without doing something for the obvious reason that that is what caused inflation after the other war. We know that. We can study the past. We can look back 25 years, and we can find a case on all fours with the case that

is facing us today, where a house would be sold one week for, say, \$5,000; the next week a speculator would go to the man who bought it and say, "I can make you a thousand dollars on this house." "All right." Next he would go to the fellow who bought it and say, "I can make you a thousand dollars." "All right. Sell it." They kept on pyramiding price on price and profit on profit until the prices went out the roof. We do not want that to happen this time.

We studied for weeks and months on some pricing formula that would not go into so much detail, that would not put the home owner in a strait jacket, that would not cause regimentation, but yet would stop the speculator from doing what he did after World War I. So this is the formula that we finally agreed upon. You cannot find any formula that is exact justice. It is not perfect. Mr. Wyatt said he did not like it, but it is the best thing we have been able to find, and therefore he is for it. No one claims it is exact justice, by any means. It is not even equal justice in some cases. We know that, but we want something that will stop this pyramiding of prices and inflation on homes like we had after the other war.

So what is the formula? It is as simple as can be. If this bill were passed today, any of the owners of the 29,000,000 homes in America—and there are 29,000,000 of them—would not be restricted in any way on earth from selling their property. Any one of them could go out tomorrow or a year from now, without having to consult any Government agency, without having to make any report to anybody, without having to say a word to anybody on earth except the man who bought the property. Just give him a deed to it. For how much? Any price he can get. Any price he wants to take. Nobody fixes the price. Nobody is consulted by the owner. He does it himself. Nobody has anything on earth to do with it. He can sell it for twice as much as it is worth if he can get it, and nobody can complain. The Government does not complain. Then, when he sells it he makes no report to anybody. He has the money in his pocket or in the bank, and he is never questioned about it. Let us get that down as No. 1. Can anyone object to that from the standpoint of the home owners? No. They cannot do it, because the home owner can get any price he can get.

Now, here is where the catch comes in on stopping inflation. After it is sold for that price, \$10,000, when it is worth perhaps only \$5,000, that price is fixed as the price during this emergency, which is to expire at the end of June next year under this bill. That will stop the speculator. The home owner cannot complain. He has got what he wants. But the man who is expecting to use that house for speculation can complain, because it knocks him out of the profits he got after the First World War. But I think we can afford to stop that speculator in the public interest, in order to have stabilization of housing.

Now, I am not accusing everybody of being a speculator who is against me on this. I am sure people are just as con-

scientious as I am. We are all working for what we believe is right. But at the same time that speculator is the only man that is stopped. Then, the man who buys this house buys it for a home. He is not going to sell it during the emergency, but if he does he cannot get any more than he paid, plus any additions or improvements.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, may I ask for two additional minutes?

The CHAIRMAN. Is there objection?

Mr. COOLEY. Mr. Chairman, reserving the right to object.

Mr. PATMAN. I will yield to the gentleman right now, if he will let me have 2 minutes?

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it a fact that your committee is still conducting hearings on this bill?

Mr. PATMAN. No. We are conducting hearings on the OPA.

For the information of the gentleman, a large part of the opposition to this bill is against the OPA.

Mr. COOLEY. Why is it that your committee did not confer with Mr. Wyatt and ascertain his program before you brought legislation before the House?

Mr. PATMAN. We did confer with him, but he did not have the program approved by the President of the United States and he did not want to release it.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. I wish to ask the good lawyer from Texas this question, Does he think the Congress has power to say for what price John Jones shall sell the house he owns now?

Mr. PATMAN. We are not telling John Jones what he can sell his house for. We are letting John Jones sell his house for any price he wants, any price he can get. John Jones reports to nobody, consults with nobody. So John Jones is not hurt in any way.

Mr. MAY. But the gentleman did say if he sold a \$5,000 house for \$10,000, that established the ceiling.

Mr. PATMAN. It does. Remember, we are in an emergency, and in the public interest we have fixed prices. We fixed wages, we fixed pensions, we fixed retirement, we fixed the soldiers' mustering-out pay based upon a dollar worth so much. We want to keep that dollar worth that much.

I now yield to the gentleman from Missouri.

Mr. PLOESER. I listened very carefully to the gentleman from Texas. From what he said I never in my life heard a better example of legislation designated to force inflation.

Mr. PATMAN. The gentleman is mistaken about that. We had inflation after the other war, because speculators got hold of the market. This way they cannot get hold of the market, they are estopped.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Let us proceed a little further with this illustrative \$5,000 house that is sold for \$10,000. The gentleman would then prohibit the purchaser from getting more for it. Does the gentleman believe the people are as gullible as that; that there would be suckers who would do that?

Mr. PATMAN. What we are trying to do is to stop the speculator. The man who buys a home to live in it would not want to sell it.

I hope the amendment is defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. If this amendment is adopted it is subject to further amendment when the bill has been completely read or must it be amended further before it is completely read?

The CHAIRMAN. Does the gentleman ask whether he may offer an amendment to the committee amendment now?

Mr. HINSHAW. I know that can be done now, but would the same amendment be in order after the committee amendment had been agreed to?

The CHAIRMAN. The pending amendment cannot be amended after the question is determined.

Mr. HINSHAW. That is what I wanted to know. I thank the Chairman.

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, the original Patman bill had in it a ceiling on the sale of existing homes. That provision was stricken out by an amendment in the committee. The gentleman from Texas is opposed to that. If the committee amendment does not prevail then we will have a ceiling on existing homes.

I want to know who within the sound of my voice on either side of the aisle would like a police force, consisting of thousands and thousands of men, in his back yard spying on his home, his sacred castle? I never thought we would come to this point.

What good would it do? The gentleman from Texas said in the beginning that this bill was designed to get production of material and homes, and this was its only purpose. Mr. Wyatt's functions are to obtain materials and build homes, and not control inflation. The control of inflation belongs to another agency, the OPA. Are we going to put the OPA out of business in this bill?

Do not vote to put a ceiling on existing houses. Why? Because then you would freeze the home after the first sale and no soldier or veteran could buy it. Why should I want to sell my home if I could not get another? And another thing: Show me a home in your locality that has sold for as much as it will cost to buy the material and pay the high cost of labor to replace it. I challenge any man on this floor to show me where any house

is bringing as much as it would cost to replace the same house today.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. No.

Mr. LESINSKI. The gentleman asked for a challenge of his statement. I can prove it.

Mr. BROWN of Georgia. I do not yield to the gentleman. You cannot prove to me that I have misstated the situation in my own State or anywhere else in the South.

Mr. LESINSKI. I will accept the challenge.

Mr. BROWN of Georgia. My statement is true as to my section of the country. I know nothing about conditions in the gentleman's State.

Mr. LESINSKI. I can prove it.

Mr. BROWN of Georgia. Well, the gentleman does not have the floor. I have the floor and decline to yield to him at this time.

The CHAIRMAN. The gentleman from Georgia declines to yield.

Mr. BROWN of Georgia. Mr. Chairman, the insurance companies are bound to pay you the replacement value of your home. Is this inflation? If so, the high priced material and high labor cost of erecting same is causing it. We are trying, in this bill, to prevent the rising cost of material and high cost of construction, which will in a large measure control the price of existing homes. Are you going to pay the expense of a lot of people running around this country looking into the back doors of 40,000,000 homes and telling the people, "Yes, we have control of your sacred home, your castle, in which you live"? God forbid that we ever come to that in America, when ceilings on existing homes would not help the veterans or anyone else.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we can furnish the materials, are there not enough contractors and people in this country who want to go out and build homes, who will build them and build them faster than any manner the Congress can devise, if you will give those people an opportunity?

Mr. BROWN of Georgia. Let us admit for the sake of argument that a few might be benefited, but, it would not nearly compensate for the inconvenience and irritation it would cause our home owners. We have a fairly good bill as it is. Let us keep it that way.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mrs. WOODHOUSE. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, in the discussion of this bill very little has been said about the fact that in the immediate months ahead existing houses will have to be a main source of supply. We must have new homes but they will not be available in great numbers for some months.

Meanwhile persons now renting homes and returning veterans in their desperate need for homes will be often forced

to buy. We all know the situation. Across the country prices of houses have gone up and are continuing to go up rapidly. We are rushing toward a real-estate boom. A few persons will gain. Some will make enormous profits but the great majority will suffer. How can we with a clear conscience see the young veteran and his wife take on the burden of a mortgage on a home bought at highly inflated value? True, this proposed amendment will not roll back the prices of houses but it will prevent prices from rolling on and up. It does no harm to the present owner. Anyone who owns a house can sell it for whatever he can get, for a hundred times what it is worth if he can find somebody willing to pay such a price. But at least there is a breakwater. The second and subsequent sales must be at the same price as the first sale after the effective date of this act, plus any improvements and certain fees. Speculations are halted. At least the same house cannot be sold and resold at a constantly mounting price. It is true that the veteran who buys today may well be buying at an inflated price but this amendment gives assurance that the veteran who comes back this spring or summer will not be forced to buy at a still more inflated price. The argument that nobody need buy or will buy if the price is too high just will not hold water. If the veteran has to have a place to live he will run the risk of a too great price, of a too heavy mortgage. A few may be lucky enough to unload before the inevitable crash comes but if we do not curb the real-estate spiral too many veterans will some day find themselves with a mortgage larger than the market value of the house. We have no right to permit veterans and their families to be thrust into such a situation which means not only economic distress but personal unhappiness and suffering.

I have in mind especially the university towns where housing prices are running wild. Many of these towns are not in rent-control areas. The OPA does not have funds to extend its rent-control work. Recently, a young veteran consulted me about buying a home in a university town where he will be for 2 years. He and his wife had, after long search, found a room at \$18 a week sharing a bath with six other people. Meals in restaurants were running then \$4 a day each. You can multiply and add and then subtract the result from \$90 a month. They could not live that way. He had to find a house. One was available at \$6,000. Shortly before the influx of veteran students it had been on the market for \$3,500. My veteran student did not buy it. It was sold to a real-estate man for \$6,000 and the price has gone up.

Speculation is not an inherent part of the free-enterprise system. Rather, it is one of its unfortunate concomitants. This amendment does not deprive any person of his property. It does not mean a swarm of inspectors. It does curb speculation. It does protect the veteran. It does not give any Government official the power to determine the sales price of a house. It does give a veteran prefer-

ence over the real-estate broker. It does place a brake on an inflationary real-estate boom. And for all these reasons it should be adopted.

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. OUTLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to comment very briefly on two or three remarks made by the distinguished gentleman from Michigan who just preceded me. The gentleman stated that he thought we ought to think this over a little while longer and not act in too great haste.

Mr. Chairman, I think one of the biggest mistakes this Congress ever made was in not putting ceiling prices on housing to begin with, at the same time that ceiling prices were placed upon a great many other things. However, even now it is not too late. We have heard from Mr. Bowles and we have heard from Mr. Wyatt that one of the biggest breaks in the dam to prevent inflation has come about in the real estate field. Every Member of this House has had experiences such as I have had of seeing homes that would ordinarily sell for \$5,000 or \$6,000 now selling for \$12,000 to \$15,000. You do not have to go out of the city of Washington to see it, either. You can go here or in the surrounding country and see what has happened to homes and to real estate property. The values are tremendously over-inflated and veteran and nonveteran alike have to pay fantastic prices for homes. If ever we had a dangerous condition we have it right now, and I do not think we can afford to wait very much longer in taking certain concrete steps to stop it.

The second thing the gentleman from Michigan said about which I should like to comment is this: He pointed out that in title VI there were already certain guaranties against selling at an unduly high price. That is correct as far as it goes, but it does not go far enough—it is only part of the picture. The first sale may be taken care of. A man will build a home under title VI and he may sell it to a brother-in-law or anyone else for that matter and from there on there is no control. The second, third, and fourth sales are where the speculation comes. While there is a certain amount of control under title VI to limit the price of the first sale, it is on the succeeding sales that there is great danger of seeing the spiral mount unduly high. That is exactly what this amendment is designed to prevent.

The gentleman from Michigan also mentioned that he feared that modernization, putting in new equipment and new facilities, might not be taken into account. This bill states definitely that where there has been improvement of property, where there has been additional equipment added, these things shall by all means be taken into consideration when the resale is made. That is definitely specified in the bill, and I do not think we need to worry about it.

It is a very illogical thing that we are contemplating doing here today, if we

are going to place ceilings on new construction and let old construction run clear out of sight. What in heaven's name is logical about a bill that does that? I agree with the gentleman from Michigan [Mr. Wolcott] in what he says. If we are going to do that, we might as well cut the whole thing out. Place ceilings on construction, new and old, or have no ceilings at all. In that respect I think he has been perfectly logical in the statement he has made.

I would hope that the time would soon come when all ceilings, on homes and everything else, could be removed. Certainly all of us want to get away from these burdensome controls. However, we would be lacking in vision if we did not place upon ourselves the necessary restraints as long as the inflationary danger faces us. I am interested, Mr. Chairman, not only in servicemen and ex-servicemen and veterans who are returning and trying to find homes but also in the millions of other Americans who are trying to buy homes. Out on the Pacific coast we are having one of the most difficult and tense situations you can possibly imagine because of the housing bottleneck. I am also finding that in some cases rental properties are being taken off the market in the hope that they can be sold at a speculative profit. It seems to me that the placing of ceilings on both old and new constructions would not only have the effect of preventing undue price rises but would also have the effect of encouraging the placing on the rental market additional housing accommodations that are so badly needed at this time. If ever the Congress had an opportunity to do something for the great mass of American people, it has that opportunity now. If ever we needed to demonstrate statesmanship, it is on legislation of this nature. I sincerely trust that we in the House today will not yield to any type of pressure from any particular group, but will consider the best interests of the entire American people, veterans and nonveterans. I sincerely believe that the enacting of the housing program proposed by Mr. Wyatt would be a tremendous step forward in attacking our housing shortage. I trust that we have the farsightedness to adopt it.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, if this bill were to be administered with the varying degrees of intelligence that have been displayed in this House on the subject of real estate, I think you would have even more confusion than there is at the present time. Let me point out to you again, as I tried to point out the other day, a few facts. In the first place, if you are going to place ceilings on real estate, the one equitable ceiling, the ceiling that can even come close to being called equitable, would be on the basis of its currently appraised value. I say that for this reason: Suppose one of these veterans buys a home that has just been completed or which is completed shortly after this bill is passed. Let us hope that the price is in the lower brackets. Let us say he buys this house for \$6,000. Presumably, the purpose of this bill is to place the control of prices and priorities in the hands of

some more reasonable agencies than the OPA. That means there is going to be an increase in the ceiling price for materials. Who knows what is going to happen to building labor so far as their wages are concerned? Suppose 6 months from now the price of materials is 10 to 15 percent higher and the price of labor is similarly higher and the same identical home costs 15 percent more to build. Therefore, the purchaser of such an identical piece of property necessarily pays 15 percent more for it. Are you going to tell the veteran who purchased the house for \$6,000 that he can now only get \$6,000 for the house when quite definitely the house is worth 15 percent more of anybody's money because it costs 15 percent more to build and also the ceiling price on the identical new home is necessarily raised 15 percent? In other words, you absolutely stick that man so that he cannot change his dwelling from one place to another even in the same general locality without loss. If the house were burned down to the ground and he received the insurance on it, he would have to pay 15 percent more if he went out to buy the same kind of house.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MAY. In other words, he cannot rebuild or replace his house on the then current market?

Mr. HINSHAW. Of course he cannot. The man who gets stuck in that deal is the veteran. I say that to you to show you how absolutely absurd it is to place a fixed price ceiling of any kind of real estate.

If there is going to be any ceiling at all, it should be put on a basis of reproduction cost at the time of the sale, less depreciation and obsolescence, which is the common way of estimating the value of a piece of property. Every time a loan is made on a home, the property is appraised, and carefully appraised by the lending agency.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. DONDERO. In my home city a case has come to my attention where a veteran has been offered a house at \$500 less than it has been offered to the owner, but he has to decorate it and fix it up. Are those items going to be added to the price of that property, that he can add if he wants to resell it?

Mr. HINSHAW. No, I do not think so. They would consider that to be maintenance and current expense, and not chargeable to the property. Suppose he buys an old house and has to replace the water heater because it is all worn out. It costs him \$100 to do it. That house is worth \$100 more to the next man who buys it. He has not added a single piece of equipment. I never heard of a more idiotic thing than to try to place fixed cash ceilings on a piece of real estate. If you are going to have ceilings, they should be the currently appraised value.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I wish to continue the discussion that has been carried on by

the gentleman from California [Mr. HINSHAW].

If you will refer to page 9 of the bill, lines 13 to 17, subparagraph (c), you will find this language:

The Director shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title.

What is a major structural change? An architect or blueprint man can tell you what a major structural change is. If you tear the old plaster off of the room and put on new plaster, that would be considered as an ordinary maintenance and repair job. I can show you many jobs of that type today that are costing from \$500 to \$1,000 per house, just changing the plaster alone and fixing it so that it will be fit to rent.

Of course, I am in favor of the committee amendment, which removes price ceilings from old homes. We are here in the process of an industrial revolution, as to time and place of men and material.

Mr. Kaiser appeared before our committee and pointed out that he heads 25 corporations; that he is moving into many fields of industrial production, especially the basic ones, opening new plants here and there. Look what a terrific moving job he is up against from the standpoint of personnel. One of his men has a home in California and he wants to transfer him to Willow Run in Michigan. He sells his home in California. The ceiling goes on it at the price at which it is sold. Three months later, the man who purchased that home may have to move, according to an order from his corporation. The price of the home he purchased, say for \$10,000, would be \$15,000; that is, the replacement value might be \$15,000 when he sells it, or the going market price may be \$15,000, but he has got to sell it at \$10,000.

Suppose a man dies suddenly and the widow has to get money to pay inheritance tax. The market offers her \$15,000, but she has got to sell it for \$10,000. You virtually rob that widow of \$5,000. It is not thinkable, to me, that this House would place ceilings on old homes. It is bad enough to put ceilings on new homes where the agreement under the law is reached ready before the construction work begins; but to come along here and place price ceilings on old homes, takes property values away from our people without due process of law. I think it runs entirely contrary to the rights of our people and in many instances will destroy the rights of widows and orphans, upset the family budget and saving account, and the thrift of the people who try to keep themselves independent of the Federal Treasury.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. In the matter of ceiling prices on old homes, when does a home become old? Assuming there is a ceiling on a new house when it is built, what about resale of that house?

Mr. CRAWFORD. The ceiling applies to any house the construction of which

is completed after the effective date of this act.

Mr. LUTHER A. JOHNSON. Does the ceiling price follow on that house? Is there a ceiling on its resale after the first purchase?

Mr. CRAWFORD. Yes; on houses completed after the effective date of this act.

Mr. LUTHER A. JOHNSON. It remains on the house?

Mr. CRAWFORD. It remains on the house as long as this act is in effect.

Mr. LUTHER A. JOHNSON. Subsequent sales would be controlled by that provision?

Mr. CRAWFORD. Yes. Suppose you bought one of these houses for \$10,000 and 6 months later wanted to sell it to me. You could not sell it to me for more than \$10,000 except under this language in subparagraph (c) which I read. If you make alterations then you get into difficulties with OPA with respect to what constitutes a structural change as contrasted with repairs and maintenance.

Now, you just go ahead and put this kind of yoke upon the necks of the people of this country and see what kind of trouble you get into.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 50 minutes, the last five to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair has listed the names of Members seeking recognition on this amendment. Each will be recognized for 4 minutes.

The gentleman from Illinois [Mr. DIRKSEN] is recognized.

Mr. DIRKSEN. Mr. Chairman, for those who have just come into the Chamber let me say that there is under discussion at the moment the committee amendment which would restrict action with respect to ceilings at least upon houses that are completed after the effective date of the act rather than upon existing construction. It occurs to me we already have that control. Every Member of this House is quite favorably disposed to the idea of maintaining the rental control that has been imposed by OPA. Certainly I went along recently with a bill to retain the rent statute in the District of Columbia. I can readily imagine there would be no end of difficulty over the country unless rent controls were maintained in some areas. Therein lies, in my judgment, the real effective control so far as speculation is concerned with reference to any housing program that may get under way. Outside of those who own homes and who want to live there as owners, those who may speculate in real estate have to make some disposition of the property if they are going to buy it. Obviously there has to be a rental that has a ceiling or some commensurate rental. For instance, let us take a house that has been renting for \$50 a month and it normally has a value of \$6,000. Suppose that

house is sold for \$10,000. What happens? If you are going to capitalize it, as any shrewd person will do, on the basis of 8 percent or 10 percent gross for a year, your rental would go up to \$65 or \$85. Then what happens? A tenant comes along. You tell him the rent is \$85 a month. You tell him that you paid \$10,000 for the house, but its value is only \$6,000. That does not make any difference. The OPA in that district has imposed a rental ceiling of \$50 on this house and the tenant will tell you, "I do not care whether you paid \$10,000, \$12,000, \$15,000, or \$20,000. The rental for this house is \$50 a month."

Under those circumstances what is the speculator going to do? Is that not the answer to all this economic nonsense we have been hearing about in the last 30 minutes?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, I have waited 2 days to say a few words on this bill. I was out in California looking into this problem for 2 weeks, and while there I spoke to many, many veterans and to many veterans' organizations. They tell me that there is great need, for one thing, for hospital beds. They need about 7,000 additional hospital beds for wounded veterans out in California. Next to that the main problem is the ability to purchase a home. They say they cannot purchase a home and they cannot borrow money from the bank under the GI bill because the bank will not lend the money. They want to buy a home for around \$6,000, or even as low as \$5,000, and they just cannot buy that kind of a home. We know that they will never be permitted to buy that kind of a home unless we have a ceiling not only on new homes but on old homes. I believe the ceiling suggested on new homes is very equitable, fair and just. There is no arbitrary action on the part of any dictator. A policy is fixed by the sale price after the law is passed. This price remains for 2 years on old homes.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Of course, a ceiling on old homes would not help a soldier any because the owner can get whatever price he wants. The sky is the limit.

Mr. PATTERSON. I disagree with that because the veteran cannot buy old homes or new homes now because they cost too much. I hope the Congress will also permit the director to set up a premium or a subsidy payment in order to help speed up production so that we can get the materials. I recognize there is a scarcity of materials, but if we do not put this ceiling on old homes and new homes, we are going to be unjust to the veteran.

Now, these veterans fought our war, and I do not like to use any sloppy, sentimental arguments, I am not in favor of those kind of tactics, but we did have subsidies to speed up production in order to win the war. Now we are turning against the men who fought the battles and do not want to give them subsidies. We do not want to put ceilings on old

homes or new homes. We just want to let them survive the best way they can after they come back from fighting the battles for us and for democracy all over the world. I think we will be very unjust if we do not take this bill as it has been reported by the committee and adhere to two or three points.

First, we should adhere to ceilings, and then by means of subsidies and premiums speed up production, and reverse what we did yesterday by making these controls last for only 1 year. You know that will not work. Two years is absolutely necessary to bring about any effective control whatsoever. I believe that if we do not enact this legislation today we are turning against the common man and the veteran in this Nation, by listening to a few real-estate and land speculators who want to make money regardless of the welfare of the veterans and the general public. I paid \$11,000 for a \$6,500 home. I put three or four thousand dollars' worth of improvements on it. I know that I cannot sell that home for more than \$14,000 or \$15,000, or maybe less, even if I had to sell it at a loss or sold at a profit. But that is no argument whether or not I make or lose money. Why should we penalize the man that cannot buy a home and cannot afford even a \$6,000 home because some individuals do not want to lose a little profit here for the benefit of the whole United States? Under the amendment, I could sell the house for what I could obtain and then that price becomes the ceiling price for 2 years if I sell. Let us obtain homes for our returning soldiers.

[Mr. BUFFETT addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, as chairman of the subcommittee on appropriations for the Departments of State, Commerce, Justice, and the Judiciary, which has been holding hearings daily, it has been impossible for me to be present during all the debate on this housing bill. But I have heard much that does not impress me. I come from a family that for four generations have been builders. My two boys, during their final years in college, built \$250,000 worth of homes ranging in price from \$6,000 to \$8,000.

In my opinion, the unfavorable references to the people in the real-estate business that have been made here are, for the most part, a crime. They are the people who built America. Far from being criticized, they should be praised. Are you trying to encourage the stock gambling of this Nation that brought about Black Thursday, when even the big boys could not stand up together? What are we doing here today? We are ready to build homes and we want to pass some legislation to build them. We want to help the returning veteran. We ought to do it for him at the least price possible, and that price can best be had by having the price low in the beginning. The way to do it is to give private industry a production subsidy in the beginning for a specified period of time and

give the producers of building material an honest and a fair profit. They are entitled to it. Get these materials into the hands of the builders and you will not be bothered about the present real-estate market. Your new construction will take care of the old. That is No. 1.

There is quite a bit of politics in this bill, and let us admit it. I do not blame the opposition for being afraid of the bill politically because this bill is going to be the major shot in the arm for the economy of America. This is a \$175,000,000,000 proposition. That is the figure. It is not alone for housing. You are going to have the stove industry in high, the refrigerator industry in high, the washing-machine industry in high, the kitchen-equipment industry in high, the garden-tool industry in high, the seed and shrubbery business in high, the furniture business in high, and carpets, linoleum, bedding, linens, curtains, shades, lamps, radios, and a thousand other items. When you vote against this bill you are voting against the production of those things just as much as you are against the housing program.

This is a bill for human rights, rights belonging to every man, woman, and child in the richest country in the world, America. Can we forget them?

Think of it! This House spends three full days in debate on this deserving proposition to build; but to destroy, we appropriate billions in 5 minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. DE LACY].

Mr. DE LACY. Mr. Chairman, we have talked so much on this bill that it is a little hard to get away from the flood of words down to the substance of what it is we are dealing with. We are asking for shelter for human beings. We are asking for roofs for people who have no place to go. We are dealing with that age-old problem which is recorded in the Scriptures in that passage which describes Our Saviour as having no place to lay his head, and he laid in the field in the cold. That is the ancient problem with which we are dealing. People have never had enough decent houses to live in. I am afraid we are forgetting that that is what we are talking about.

There can be no Member of this House on either side of the aisle opposed to finding shelter, not only for veterans who are coming back, but for all the people. Mr. Wyatt said, and it is plainly recorded in the committee hearings, there will be 4,500,000 veterans demobilized by the end of June. He said, starting from October 1 of last year when there were 1,200,000 families already doubled up, we would have to add to the burden of those already doubled up, these millions of veterans coming back. By the end of this year, some 2,900,000 will be seeking family units. By the end of 1947, according to the hearings, page 421, we will need 3,115,000 housing units. And that does not attempt to solve the problem of families that are already doubled up. So the question is shelter, shelter against the heat and the cold, roof and walls within which to raise American families. The amendment before us which would make it impossible to put ceilings on all houses is directly related to

the problem of furnishing adequate shelter at prices people can afford to pay. This bill has at least two essential features: one is the ceiling price to make it possible to get housing within some reasonable measure of their ability to pay, and the other is the payment of subsidies to producers of building materials. We hear a great deal about bottlenecks in the way of production. The Patman bill and the Wyatt program, proposes the means of breaking whatever bottlenecks exist. The purpose of the subsidies is to make it profitable for manufacturers to get in and produce the stuff we need. Yet, we hear the two essential features of the bill, one to put a ceiling on houses, and the other to subsidize building materials, chiefly objected to by Members who say they are for housing the veterans but are against the very proposals that will get housing built.

I was deeply moved by the eloquent speech of the gentleman from Michigan [Mr. RABAUT]. He told us of the great effect that the construction made possible by the Wyatt program would have upon the whole economy. Of course, it will strengthen every industry. Where are we going to turn for jobs if not to the great building industry, which even before the war was 10,000,000 dwelling units short of the needs of the American people? Where do we expect to employ 2,500,000 workers other than in this field? We should defeat this amendment and pass the bill with the Patman amendments.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Miss SUMNER].

Mr. BUFFETT. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. BUFFETT. Reference was made to the Man of Galilee concerning the problem He had with housing. I think He gave us a few words of good advice on that in Luke 14. He said:

For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?

Lest haply, after he hath laid the foundation, and is not able to finish it, all that behold it begin to mock him,

Saying, This man began to build, and was not able to finish.

Miss SUMNER of Illinois. And He was a carpenter?

Mr. BUFFETT. Yes.

Miss SUMNER of Illinois. You know now what this bill contains. This is a bill to communize the American home and the American home builder. If these Members wanted homes for veterans, where were all these Members who advocate this bill when the OPA was preventing the production of materials with which homes are to be built? Where are you today? Why do you not help us? Why do you not get on the bandwagon to break the bottlenecks that are put over the materials industry by OPA?

I think what troubles us is the same thing that troubled the man in the cloak-room earlier today when he said, "This is not a bill to communize; this is a racketeering bill." I think the whole reason that communism and nazism has gotten so far in the United States and the

United States Government is that many here, without knowing it, have become the victims of the propaganda that communism is for the benefit of poor people. It is not. It is for the benefit of the political racketeers, the favorites, the privileged class. It is for political pets like the man we had before the Committee on Banking and Currency, Mr. Kaiser; who asserted he never had any trouble with OPA; he did not seem to know there was such a thing as allocation by the Government of strategic materials for building.

Mr. SHAFER. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. SHAFER. Can the lady tell us just how Mr. Wyatt is going to obtain materials to build while we are shipping millions and millions of feet of lumber to all the other countries of the world?

Miss SUMNER of Illinois. That point was brought up again and again and again in the hearings, and all we could get when we got the bill is the thing before you, which gives them the power to stop it if they want to but which does not tell them they have to stop it.

The CHAIRMAN. The gentleman from Maryland [Mr. ROE] is recognized for 4 minutes.

Mr. ROE of Maryland. Mr. Chairman, I have listened very patiently for almost 3 days to the debate on this bill. There is not a Member in this House who does not want homes for our veterans and for everybody. Well, what is the trouble? Why do we not have homes now? Why is there a scarcity of all kinds of building material? The reason we do not have the material with which to build now is because of restrictions; and we are going to remedy the situation by passing more restrictions. If anybody will tell me how we can get more lumber, more brick, more cement, more flooring, more shingles, more anything else when you cannot get them now because of the restrictions laid by OPA, by passing a bill with more regimentation and more restrictions, I cannot understand. If that is common sense, I do not have any common sense.

This bill will not build houses. What we need is material. What we need is production. In order to get material and get production we must have a free economy so that our people can operate and produce the things they are in the habit of producing.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. ROE of Maryland. I yield.

Mr. BUFFETT. Sometime in January they issued an order down town raising the price of lumber \$3.25 per thousand on May 1. Can you think of any procedure more calculated to stop the production of lumber until May 1 than that?

Mr. ROE of Maryland. It will absolutely kill it until May 1. If a man had anything he would not sell it until May 1.

Mr. PATMAN. If the gentleman will yield, that order was changed.

Mr. BUFFETT. All of these orders are changed by and by, but we lose production in the meantime.

Mr. ROE of Maryland. The OPA does recognize its mistakes once in a while, but it takes a long time to change them.

The gentleman from Texas [Mr. PATMAN] says this is not a political measure. I am happy that he said that. That gives us, who are still Democrats, a right to vote against this bill which certainly creates another bureaucracy and gives more regimentation and makes it still more difficult to get housing.

The other day in debate on the deficiency bill to give OPA \$1,850,000 additional with which to put more Gestapo enforcement officers in our midst, the distinguished floor leader from Massachusetts, whom I love and respect, told us how much the OPA had saved the people. The OPA has never saved America one cent—it never will. It has been an expense and a burden and it always will be. Let me prove that to you in just a very few words.

Assuming that the consumers of this country have bought certain merchandise cheaper than they should have bought it, cheaper than the merchandise was worth, let us turn to the Chicago Board of Trade. There is just one thing on the Chicago Board of Trade that is free and that is May rye.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 5 minutes.

The CHAIRMAN. The time has already been fixed.

Mr. ROE of Maryland. I thank the gentleman from Massachusetts very much indeed.

The CHAIRMAN. The gentleman from Washington [Mr. SAVAGE] is recognized for 4 minutes.

Mr. SAVAGE. Mr. Chairman, it has been said here today that no one will have to pay more for a house than it is worth; even if we do not provide for ceilings. But I did, and I know a lot of other people who have. Last year I bought a house and paid \$2,000 more than that house was sold for 2 years previously by the contractor. I had to have a house and there was no other way to get it than to pay the price demanded. None were available to rent at the time for less than \$200 a month. The veterans are going to have to do the same thing, if we block ceiling prices on used homes. I realize that when prices come back to normal I am going to take a loss of that \$2,000 plus the depreciation. Certainly we do not wish to force veterans to take such losses.

It was the same with used cars. When there was no ceiling on used cars people were paying more for them than the ceiling price on new cars, and the same thing will happen in regard to houses.

The point is, Shall we have ceilings on used houses? And I say we should, or it will mean inflation. I used to be connected with a real-estate outfit, but I can say that I am entirely free now to represent the people and not the real-estate speculators. The real-estate lobby does not stop at contacting Members and writing to their offices; they are even sending propaganda to the Members' homes against this housing program.

It has been said that the reason we do not have production is because of the OPA. My district on the west coast is one of the biggest lumber-producing dis-

tricts in America, not the biggest, but among the largest in the United States. The logging camps cannot get men. Sawmills are forced to close by the log shortage. For 4 years 18-, 19-, and 20-year-old boys were going into the services instead of going into the woods and learning how to become loggers. Unless men become loggers very young they usually do not become loggers at all, and especially not after they get married, because of the dangerous work. Under this bill it is anticipated that there will be a program to get men in the woods, and you must have young men. The cutters work in crews of four.

Timber is usually cut on a piecework basis, so much per thousand board feet and not by day labor. If an experienced man takes a new man to teach how to cut timber he earns about one half or less of what he earns when working with another experienced man, so naturally he is reluctant to teach a new man. You simply cannot take four men who do not know anything about logging, form them into a crew and send them into the woods alone to cut timber. They will soon kill themselves off. In some instances a single tree will produce enough sawed lumber to build four or five houses. Most of the remaining timber is growing on steep hillsides. It is very dangerous work. A recruiting program is badly needed to get new men into that branch of the industry. The mills are free to cut all the lumber they are able to saw, but they cannot get the necessary logs due to the shortage of trained and experienced men in the woods. The bottleneck in the lumber industry is the lack of logs to feed the mills.

Rent ceilings alone will not control prices of houses. Actually houses bought for speculation are apt to remain vacant and ceilings will prevent speculative buying. Veterans are not looking for houses for speculation, they are looking for houses to live in. A home ceases to be a domicile when it is being juggled around for speculation.

I can understand how ceilings on homes will prevent real estate dealers from making large profits through this emergency period but is that too much sacrifice to ask of them considering what the veterans have done for the country?

Does anyone mean to say that he is for the veteran but that he is for excessive profits for dealers first?

I am for homes for veterans at reasonable prices. I do not yield to the pressure of the powerful real-estate lobby.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(Mr. SAVAGE asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

(Mr. BIEMILLER asked and was given permission to revise and extend his remarks.)

Mr. BIEMILLER. Mr. Chairman, for just a few seconds it is well to come back to a consideration of the basic reasons why this bill is before the House. The President of the United States, recognizing that there is a serious housing problem in our country, appointed Mr. Wil-

son Wyatt to draft a program in order to meet the emergency. That program has been drafted, it has been given the President's approval, and the original bill introduced by the gentleman from Texas [Mr. PATMAN] contains the necessary legislative enactments to put the program into effect.

Why is that program necessary? The Army recently took a poll of discharged GI's and discovered some rather interesting information. On the basis of the returns from the GI's themselves, we know that we will have from three to five million of the discharged GI's doubled up at the end of this year because of the lack of housing facilities. Furthermore, the GI's said that the absolute top they could pay for rent was \$50 a month, and if they are going to purchase a house, \$6,000 would be the most they could pay. The great majority of those polled named figures far below the rental and purchasing price figures which I have quoted.

What is necessary to remedy this situation? Three things and those things are in the bill.

First, to channel building materials to the proper place, so that we do not use any of our precious building materials in any unnecessary projects. Second, to spur production and to spur production through the medium we used during the war is the only way to meet the emergency, namely, by production subsidies, and I will have more to say on that subject when we reach that phase of the bill; and last but not least, we have to stop speculation.

Why do we have to stop speculation? I do not think there is a Member of this House who will deny that there is real-estate speculation in his district at the present time. It is the worst inflationary danger we have. If I had time I could quote you example after example in my own district, but I want to give you just one. Last Wednesday I had a 'phone call from a real-estate operator in my district telling me why he wanted the original Patman bill passed. He gave the example of a real-estate operator functioning as a buyer who goes into a blighted area, pays \$3,500 for a house; the next day the broker, operating as a seller, sells that house for \$4,700. Twelve hundred dollars profit in 24 hours. You and I know that sort of thing is going on over and over again.

Now, the Patman bill would not have prevented the sale of that house by the owner for \$3,500, but it would have stopped this speculator, in 1 day's time, making a profit of \$1,200 at the expense of some returning GI whom all of us told over and over again that he would have a country in which he could live in a home of his own.

I think it is our duty to protect the veteran and all other prospective buyers against the speculator. The original bill will do that. The amendment before us would permit the parasitic practice to continue. Thousands upon thousands of desperate individuals, unable to find a place to live, are practically forced to buy houses. They are fair prey today to the unscrupulous speculator.

I urge the house to take stock of this situation and give the people the pro-

tection they deserve. Remember, no home owner will suffer under the original terms of the bill. If he has to sell his own home for any reason, he can do so, but the speculator cannot get a higher and ever higher price for the same piece of property. The vicious inflation spiral will be broken.

A great many national organizations take the position I have just outlined. Let me read you a statement and the signatures thereto:

On behalf of our organizations representing millions of American families, we urge the House of Representatives to take the first important step in meeting the housing crisis by enacting the Patman bill (H. R. 4761). This legislation must include ceilings on old housing as well as new, and premium payments to increase the production of scarce housing materials. With this essential legislation the Nation can and will build the 3,000,000 new homes required to meet the immediate needs of our veterans and their families.

American Association of University Women, American Home Economics Association, Congress of Industrial Organizations, Consumers Union of United States, Legislative Committee of the Council for Social Action of the Congregational Churches, National Association for Advancement of Colored People, National Council of Jewish Women, National Council of Negro Women, National Education Association, National Federation of Settlements, National Institute of Municipal Law Officers, National Public Housing Conference, National Urban League, National Women's Trade Union League, National Association of Rural Housing, Family Welfare Association, National Farmer's Union, National League of Women Voters, National Citizens Political Action Committee, Southern Conference for Human Welfare.

This statement is also endorsed by the Right Reverend Monsignor John O'Grady.

Let us keep faith with our veterans and millions of other Americans who need protection against speculation and inflation. This amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, all of us agree that the need for housing is very great. All of us agree that we have an outstanding obligation to pay to the returning veterans; but, because there is some difference of opinion as to how we may pay that obligation, I do not think asperations should be cast upon those who may share a different opinion. This bill, substantially as it has been reported by the committee, will be helpful in the situation. I think that we should channel material into the building of homes. The other day I took a trip home in my car, and as I passed through the towns on the way, it seemed to me that 80 to 85 percent of all the construction was commercial. Garages were being built for cars that are not yet manufactured; retail stores, were being built, outlets that are adding to the pressure for scarce

goods today. I think that priority should be given to the construction of dwellings. Priority should be given to materials for those buildings the use of which will give the most employment and the greatest production of goods. We will need new houses for many years to come. It is a long-time pull. There is ample financing for those houses; there is money begging to be used. By renewing title VI under the National Housing Act, and providing for insuring these mortgages, that money will be brought out of hiding and put to work. Houses will be built. The great American initiative and resourcefulness is still existent. All that is needed is the opportunity to go ahead.

We need readjustments in our pricing policy. We all know that the present pricing policy was set up to get war materials. For instance, in the lumber business, the pricing policy was set up to produce large heavy timbers needed in war work. Just the other day the OPA changed its pricing policy so as to encourage the production of flooring, ceiling, siding, and lumber of that kind which is needed in homes. This change in pricing policy is going to bring about the manufacture of many needed materials. I think highly of Mr. Wyatt. I think he is capable. I think he is sincere. He is energetic, with a wonderful personality. But I do not want to see him overburdened. I think that even if he is willing to undertake all of the program that he has outlined, that we should not let him try to do those things which we know in reason he cannot do. He can be very helpful in channeling materials into housing construction. He can be very helpful in breaking bottlenecks that are holding up building materials. In regard to the sale of existing houses, we know that any one, who has a house today, and who sells it because of the premium that is offered, has to go out and inconvenience himself in obtaining another place in which to live. There are no houses to amount to anything on the investment market today. They have all been purchased. If a price ceiling is placed after the first sale, the veteran who purchased a home will have to bear the whole brunt of inflation, because the seller will charge all that the traffic will bear in this original sale.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I would like to address my remarks, if I may, to the gentlemen on the Republican side of the aisle who have through this debate seemed to feel that there was something communistic or socialistic about putting a ceiling on existing homes.

While I was home last month the president of the largest bank in Oklahoma came to me and said: "I want to ask you, Congressman, if there is anything that the Congress can do to stop what is happening in the speculative real-estate market, that is filling the banks, the building and loan companies, and loading the Government down with insured mortgages for excessive values on existing homes?" He told me about his maid

in his home who was then dealing in real estate, buying homes. He told me of three different deals that she had gone into, buying homes for \$3,000, holding them 2 or 3 months, and then selling them for \$5,000 or \$6,000. He told me incident by incident and documented it by showing me the papers on homes that he had helped to close deals on under the FHA in 1940 for \$6,000 that are now selling for \$12,000.

I said, "The only thing that has been suggested has been putting a ceiling at the point of the next sale." He said, "That is the most common-sense idea I have ever heard. That will do more than anything else to take out the speculative bulge, the prices that are putting up these values to an artificial point and which will force the Government at a later date to come along with hundreds of millions to bail out these credit institutions with another HOLC." He said that no fair-minded man could complain of a ceiling fixed by free bargaining at the point of the next sale. This is what we propose in trying to defeat this committee amendment.

I cannot see how anyone can conscientiously oppose this logical step of preventing speculation in homes. It has been argued that the veteran will suffer in case he buys a home now and cannot sell it before June 1947 at a speculative price.

The veterans I know would be glad to have this bulge of speculation taken out of the homes they buy today, and they will take their risk of getting the same amount they paid for a house when they have to sell it. There are not going to be many of them that will sell these homes within the next year, because they have been without a home for about 4 years and a home means an awful lot to them.

It seems to me it would be a travesty on the veterans if we merely say that by putting a ceiling on the 2,700,000 new homes we hope to build, we can hold down the ever-rising speculative pressure on 27,000,000 homes that now exist. That existing home market is the market the veteran is shopping in, not only the new homes but these 27,000,000 homes that exist. Yet, he is in competition on these existing homes with every person who stayed home and has war-swollen savings.

It seems we must offer a chance to freeze the speculation out of the present soaring prices of homes. It will not interfere with anybody in the world but the speculator who wants to buy a house today and sell it tomorrow or the next week at a \$2,000, \$3,000, or \$5,000 profit. Unless we do this we are not going to begin to fulfill the duty we owe to veterans in this Congress.

(Mr. OUTLAND asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close debate.

Mr. SPENCE. Mr. Chairman, we have heard a good deal of talk about this being the delegation of an arbitrary power to a dictator to fix the value of our homes. The Administrator has no power to fix the value of a home. It would be ob-

viously impossible to have appraisements of the homes of America. There are many elements of value in a home that are intangible, and there would have to be individual appraisements of each home. This amendment takes no right away from the home owner. The owner of the home can sell it at the highest price he can get for it. The purchaser of the home when he purchases knows that he cannot sell it for a higher price than he pays for it. Is that taking away any of the constitutional rights of the citizens?

The speculative field in old homes is just as great or greater than in new homes. It has been estimated there are 27,000,000 or 28,000,000 homes belonging to the people of the United States, and that has furnished the speculative field that has been injurious to the economy of America. After the last war I remember in my own community men built homes for themselves that they intended to occupy, and because of the high prices they sold them before they went into them. I do not know of anything that could do more harm to the housing situation than to have the people gamble with their homes. When a man sells a home he must seek another home. There would be no stability if we allow these people to sell their homes at the highest price they can get for them. This bill will take away the speculative feature. It will give stability to the home. It will give a stability to our economic institutions. It is not communistic. It is the only way that this problem can be met in these emergent conditions. It is not saying, "You can never sell your home for more than you paid for it." It is saying, "During this emergency when the common good is involved, you cannot sell your home for more than you paid for it." Is there anything communistic in that? Is there anything socialistic in it? During these debates we have even heard gentlemen condemn the OPA. We are going to hear that done for days and days, but there will be few of you who will dare to be a party to destruction of that agency which is stabilizing the institutions of America and is preventing disaster, disaster that is indescribable. I know that petty annoyances have been hard. I know that little arrogances and insolences of office have been hateful to you. But when you think of the ultimate good, when you think of what it will save to the American people; when you think of what it means to the future, are you going to be so foolish as to vote against it? Perhaps a few Members may vote against it, but if the ultimate responsibility was upon them, if they had upon their shoulders the whole responsibility as to whether or not the OPA should continue or be destroyed, I doubt that they would dare vote against its continuance.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

All time has expired.

The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. Brown of Georgia) there were—ayes 114, noes 53.

Mr. SPENCE. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The committee again divided; and the tellers reported there were—ayes 154, noes 68.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 6, line 14, strike out the remainder of page 6 and all of page 7, down to and including line 16, and insert:

"(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Director a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations."

Mr. PATMAN. Mr. Chairman, the Committee has very decidedly spoken on the old houses, so that question, as far as this bill in the Committee is concerned, is out of the way. Now the question is on new houses.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield at that point?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The question, of course, is not out of the way because we can have a roll call in the House on the question of speculation against the veterans' interests.

Mr. PATMAN. That is very true. I said out of the way in the Committee.

Mr. BIEMILLER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BIEMILLER. I am sure the returning GI's will be interested to note

that not a single Republican Member was in favor of placing a ceiling on existing houses. They refused to vote against the speculators.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. If I can get some more time.

Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I yield to the gentleman from Pennsylvania for a question.

Mr. RICH. Is this a political bill or is it a bill to try to do something for the benefit of the people of this country?

Mr. PATMAN. It is a bill to try to do justice to a group to whom we owe a lot. We are trying to do justice to a group that we, including the gentleman from Pennsylvania, voted to take away from their homes and send upon the foreign battlefields of the world. They were gone 4 years, most of them. While they were gone those of us here at home had the opportunity to buy homes, to rent homes, and to get security and housing accommodation. When they came back all the homes were taken. This bill is for the purpose of giving them preference for 2 years only. We had preference for 4 years. This is to give them preference for 2 years.

No; it is not a political bill. Every Member of this Congress is in favor of helping the veterans. Some Members disagree as to what they should do to help them. Some people would take off all price controls on houses as well as everything else because they honestly think that is the best way to do it. I disagree with them. I do not fall out with any Member of this House because of his convictions. I came here to represent 300,000 people, just like the gentleman did, and I am going to do that the way I believe is best for those people I represent and for the State and Nation. I am not criticizing anybody for the way they vote. I have not in the past, and I never shall in the future. As I say, I respect their convictions. As long as they satisfy their own people they satisfy me. It is not for me to criticize or to censure any Member and I am not.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield for a question.

Mr. RICH. I agree with the gentleman that he can vote on different things as he thinks best, that is all right, but some of the Members over on the other side are pointing the finger of scorn at Members who are trying to do their duty. I do not believe in the philosophy which some of them advocate; I do not believe in what they believe in because what they believe in is not the right thing for America under our free enterprise system.

Mr. PATMAN. I regret exceedingly that the gentleman and his colleagues on the left side of the aisle have seen fit to make this a political issue. You have made it a political issue. Any time people meet together and agree to vote together 100 percent, regardless of the

merits of the controversy, putting party first ahead of the country, and that is bound to happen in the case of some of you—I do not mean to say that your motives should be impugned or anything like that, but I do not believe in putting party ahead of the country—when you meet and vote together solidly, and there were a few of our people who voted with you on conviction because they are convinced that is the right way, that means you do not get a conviction vote in all cases. Some of our people have agreed to vote with you from conviction. It was in the newspaper, so I am not disclosing any confidential secret, that it was given out by the minority Members that they had met the first time during the existence of that Committee on Banking and Currency and since I have been a Member, the minority Members got together, had a caucus, and agreed to vote solidly together. They did that in our committee. It is a matter of public knowledge, and by two or three of the Members on the Democratic side voting their convictions, sincerely and honestly, caused us—the Democratic side—to lose in the committee. There were two or three votes difference. As long as Members vote their convictions I have nothing to say on earth, and I am criticizing no Member anyway. I want to get down to the merits of this particular amendment.

Mr. Chairman, this is for the purpose of putting a ceiling on new houses. How can anyone justify taking scarce materials, and we know they are scarce. We will not have materials for all purposes, we will only have materials to use for limited purposes, and we are going to give preference to the building of homes for veterans. First, we are going to have some essential commercial buildings constructed, then we will have some hardship cases to take care of, where homes have been destroyed by fire or flood or from whatever reason. We have to have those people taken care of.

Then we are allocating, we are favoring the contractor, we are favoring a builder by telling somebody in the Government: "You have the power to take this stock pile of materials and allocate it to Tom, Dick, or Harry." All right, then, after you allocate these materials to Tom, Dick, or Harry, Tom, Dick, or Harry can take those materials and make them into a house. Then the sky will be the limit as to the price that may be charged for that house. How can you justify that? Is that fair? You are favoring somebody. You are giving a special favor. You are giving him valuable materials and denying other people the right to get those materials. Why should you not have some control over the price of that finished product?

I know that the gentlemen on the minority side, including the gentleman from Michigan [Mr. Wolcott], the able gentleman that he is, will contend that under existing regulations there will be no price fixed on that structure because most of these houses are constructed under FHA. But all of them are not. On those that are constructed under FHA there is nothing to keep the contractor from selling to his brother-in-law or an associate or a friend, who can then

sell it for two or three or four times the price, after getting a priority on scarce materials in order to build it. It just does not make sense, and I do not believe, although you voted against us heavily on the existing structures, that you are going to vote against this. I have a feeling that you are going to vote for fixing prices on construction where we grant special priorities of scarce materials to the person who builds that structure.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, a lot has been said by the more zealous proponents of the Patman bill about speculation in real estate, its badness, and how necessary it is in the interest of veterans to control it. The author of the bill, the gentleman from Texas [Mr. PATMAN] has been especially vehement against speculation. His whole argument in placing ceilings on homes, old and new, is based on the proposition that speculators must be curbed. This is indicated by his testimony before our committee, and by the speeches he has made here on the floor.

Now I have always had a little trouble distinguishing between speculation and investment in real estate. The only way I have been able to determine the difference is this—when a person buys a home, holds it for a few years and sells it at a profit he considers it investment. If he sells it at a loss he considers it speculation.

Anyway, the Patman bill seeks to prevent speculation on homes, especially to protect the veteran. It provides that whoever is caught selling a home for more than the fixed price, and this includes veterans as well as other people, subjects himself to a possible fine of \$5,000 and 1 year in the penitentiary. Judging by the severity of this penalty it must be supposed such a violation is pretty serious.

It is naturally also presumed that the men who would administer the law would be heartily in sympathy with this noble idea of protecting the veterans and other people.

I think it is a fair assumption also to say the Administrator's own past record in this respect ought to be pretty free from the contamination of real-estate speculation. Well, I am wondering. I have it from pretty good authority—in fact, I am pretty sure that volume DB-1608, page 366, dated July 15, 1936, and volume DB-1688, page 159, dated September 28, 1938, and volume DB-1686, page 272, also dated September 28, 1938, and volume DB-2084, page 275, as recorded February 7, 1946, of the records of the clerk of courts of Jefferson County, Ky., will reveal that there was transferred to Mr. Wilson W. Wyatt, a home at 81 Valley Road, Louisville, Ky., and for which the records will show \$10,000 had been paid. The records also will show that this same home was sold for \$25,000 and the sale for same recorded on Feb-

ruary 7, 1946, after Mr. Wyatt had been appointed by the President as head of the Federal Housing Agency.

If this true I am just a little troubled about some of the moral implications that would be involved in the enforcement of this particular provision in the Patman bill relating to speculation. I am thinking, for example, of a situation like this: Suppose a veteran buys a new home under the plan, for which he pays, say, \$5,000, and sells it a year later for \$5,050, or at 1 percent more than he paid for it. If he were caught by the housing czar doing this he would be prosecuted, made to pay a fine and possibly also have to serve in prison. Yet the man who would initiate the prosecution himself indulged, and after his appointment as housing czar, in speculation on his own home to the extent of upping the price almost 20 percent annually for 8 years. To be exact, Mr. Wyatt made 150 percent profit on his house after having held it only 8 years.

I really think this is a serious question. Suppose the Patman bill passes, just what would constitute the veteran's crime if he sold a house at a price higher than that which he paid? If caught by the building czar, Mr. Wilson Wyatt, he would be branded as a criminal and subjected to the rigors of a penalty, or imprisonment in the penitentiary, and possibly both. Yet here is this same Mr. Wilson Wyatt who himself bought a home for \$10,000, sold it for \$25,000, making a profit of \$15,000, or 150 percent, and goes scot free.

What I want to know is this: Does the law constitute a certain deed a crime or does the nature of the deed constitute the crime?

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. As I understood the gentleman's statement, this deed was recorded on February 7, 1946. Was not the deed executed on February 6, 1946, and does not the record show that this transaction was made for a cash consideration of \$25,000 for this same property for which Mr. Wyatt paid \$10,000 in 1938?

Mr. SMITH of Ohio. All I can say is that the records show that there were on the deed in 1938 \$10 in stamps indicating a sales price not exceeding \$10,000, and on the deed in 1946 \$25 in stamps indicating a sales price not exceeding \$25,000. People as a rule do not put more stamps on a deed than the law requires.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the remarks of the gentleman on the other side are a personal attack upon Mr. Wyatt. One cannot mistake that who heard the statements made by the last gentleman who had the floor. I am not familiar with the facts, but from the statement of the gentleman from Ohio [Mr. SMITH], when Mr. Wyatt came to Washington to take over his duties he sold his home in Louisville and made a profit on it, alleged to be \$15,000. If he profited by reason of the sale of his house, if the statements made are true,

and I have not investigated them, where is there moral wrong in that? Anybody who is compelled to abandon his home and make his residence in another city would certainly get the best price he could for his house. That is just an illustration of the spiral of inflation which is going on in the price of homes at the present time. Was there any moral wrong in Mr. Wyatt selling his house—that is, if he sold it, and I do not know whether he did or not.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PATMAN. Is it not a fact that if Mr. Wyatt did sell his place, there is no law against it? You would presume that a man would trade and deal to the best advantage in selling his house. If he comes to Washington and has to buy a home, he must pay three and four times the price, and he would be losing money and not making money.

Mr. SPENCE. Notwithstanding the criticism which has been leveled at Mr. Wyatt from the other side, Mr. Wyatt bears a most excellent reputation in the community where he lives. He has the respect and confidence of the people he served as an able mayor of his city. He is a capable, honest, and splendid man. It is unworthy of Members to make such imputation and such statements as were made here in an endeavor to bring obloquy on a man who gave up his practice as a lawyer at home and came here to serve his country at a great sacrifice to himself.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not exactly sure just who it was who was so gracious as to applaud. I believe it was the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. The gentleman is quite right.

Mr. OUTLAND. The gentleman from Michigan [Mr. HOFFMAN] approached me in the hall this morning and said, "Let us put on a fight today." I did not realize that he was going to applaud. I thank the gentleman.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. HOFFMAN. That was yesterday that I talked to you about that.

Mr. OUTLAND. I beg the gentleman's pardon. He is correct; it was yesterday. If I understand the gentleman from Michigan and his moods, as I have witnessed them since becoming a Member of the House, I would think he would want to fight any day.

Mr. HOFFMAN. That is right. But why can you not be accurate?

Mr. OUTLAND. Oh, I am glad to have the correction, very glad to. Did I understand his applause was part of the fight?

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. RICH. The gentleman spoke about a statement I made the other day about the Treasury paying off \$15,000,000 of the money they had and discounting some of the notes they have out. I told you I was ready to take you on any time on that subject.

Mr. OUTLAND. That is right. I would be glad to do likewise, although right now I am trying to speak on the bill before us, the housing measure.

Mr. RICH. So I will be glad to do it right now. I would be very glad to do that.

Mr. OUTLAND. Mr. Chairman, may I say that we are trying to discuss the housing bill, which is a rather important matter.

Mr. Chairman, I listened with a great deal of interest to the remarks of the gentleman from Ohio [Mr. SMITH], and it would seem that from what happened during his remarks we are turning something which, to me, is very serious, namely, the subject of providing adequate housing for the American people, into a laughing matter. I cannot understand why so many Members of the minority party wish to treat this important national problem as a subject for joking. To me, it is one that should command our respectful and serious attention, no matter who is speaking. If we can take bills of this nature, of vital interest to millions of people, veterans and nonveterans, and have half of the membership on this floor laugh at it, I think the Congress will deserve the public criticism of the American people. And that criticism is certain to come, make no mistake about that.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. After I have finished my statement.

Mr. SMITH of Ohio. You made a point there—

Mr. OUTLAND. I am going to make some more points. I do not yield.

I would like to say this: I was deeply interested to hear the gentleman from Ohio [Mr. SMITH] condone a man who would buy a piece of property one day and sell it for \$1,200 profit the same day. I am interested to have it go into the RECORD that the gentleman from Ohio is for helping the speculator against the veteran in this country who might be placed in a similar position. I am wondering what the reaction is going to be to that.

When the case of Mr. Wyatt was brought up, it illustrates two points that I am sure the membership of the House is interested in.

In the first place, under the pending bill and under the amendment, it is always possible for a person to sell at any price he wishes, in the first sale. Mr. Wyatt would have violated no provision of this bill, had this bill been in effect at that time. If the gentleman from Ohio [Mr. SMITH] owns a piece of property and wishes to sell at double what he has paid for it, there is nothing in the bill to stop it. The bill is imperfect in that way but it is one step in stopping speculation. What it does contain is a provision that the resale cannot be above the first sale price. Therefore, even the illustration about Mr. Wyatt does not apply to the bill in question, because the bill limits such additional profits only on resale. Therefore, the remarks of the gentleman from Ohio have no effect on the merits of the bill under discussion.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to my distinguished chairman.

Mr. SPENCE. Does not the gentleman think that when we are discussing this bill, to bring in Mr. Wyatt who sold his home not for speculation but because he was located in another city and that he made a profit on that sale, such as would come to almost anybody in these times of inflation, that the debate has sunk to a pretty low level?

Mr. OUTLAND. I certainly do. I would like to say also that there is not a Member of this House who is not anxious to get rid of the controls that were put on during wartime. It is not our purpose to go out and defend the mistakes that have been made, and some mistakes have been made. What we are trying to defend is the over-all program, brought on during the abnormal condition of war. That abnormal condition was held over in many respects. As soon as it is possible to release every type of control, I know I want to do it and I think everyone else here wants to do it. But at a time when there is a shortage of critical materials, as there is in the building field now, it seems to me we are going to have to continue for a while certain of the controls, and then gradually decrease them. That is the only sensible thing to do; it is the only patriotic thing to do.

I beg of Members on both sides, let us not turn this into a laughing matter. Let us not turn it into an attack upon some one individual. Let us attempt to solve it on its merits in the best interests of the great masses of the American people.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. OUTLAND. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes, in order that I may yield to those that have requested me to yield.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I now yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I do not believe the gentleman from Ohio who is addressing you now indicated to the House that he thought this was a laughing matter. The gentleman from Ohio believes that this is a very serious matter.

Furthermore, I wish to say to the gentleman from California that I do not believe I said anything to indicate that I condoned any speculation in real estate.

Mr. OUTLAND. I am very glad to hear the gentleman say it is not a laughing matter, and I hope that his remarks in the future will not be designed to provoke laughter. I am glad also to hear him say he is against speculation. I hope his votes, as well as his statements, will indicate that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. GROSS. Do you believe it was any more necessary for Mr. Wyatt to sell

his home when he came here to take a job, in which he might last 30 days, than it is for a Congressman, who knows he is going to be here for 2 years, to sell his home?

Mr. OUTLAND. If the gentleman has had the experience that other gentlemen have had of selling his home and coming to Washington and paying three or four times what he could get for his own home, I am certain he would be more sympathetic to Mr. Wyatt, to a Congressman, or to any other American citizen.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the lady from Illinois.

Miss SUMNER of Illinois. We are trying to fight for American principles. As far as laughing is concerned, I say, if it gives them any relief, let them laugh, because I hope you will not try to control that too.

Mr. OUTLAND. I may say I do not think there will be any scarcity of laughter on this floor as long as the gentlewoman from Illinois makes remarks like that.

Mr. Chairman, I think, perhaps, the gentlewoman from Illinois did have a point, and that is that sometimes debate in this House gets so very tense, sometimes those of us on both sides of the aisle get very "het" up because we feel so seriously about the issues that a little laughter should come in to break the strain. There are those who take the floor against these principles which some of us believe in so firmly, they believing their views as firmly as we do in our point of view. We must, however, look at this picture not from the standpoint of real estate alone, not from the standpoint of any particular individual alone, but from the standpoint of the best interests of the entire economy of the Nation. I am certain that is what we are trying to do.

During the war—the war emergency has continued to a certain extent—there was great cooperation. I would like to see that spirit of cooperation, regardless of partisanship, continued now that the war is over. I would like to see us discuss the problems of housing on that basis, earnestly, seriously, with a minimum of facetiousness. We have had submitted to us by Mr. Wyatt a housing program. That program includes certain stimulation to production, it includes price ceilings, it includes allocation of materials, it includes several other points. I think we have to consider the program as a whole, and as we consider it as a whole I beg of you that we do not permit facetiousness or levity to color the decision that we make, but that we come to our final decision on the one point of how we believe the people as a whole will best profit. Regardless of our differences of opinion, we shall then be approaching one of the most serious problems facing America today, in the spirit which that problem deserves. To do otherwise would be to fail in our duty as the representatives of the American people.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, here is a concrete illustration of the point I was making in my previous statement. I listened to the remarks of the gentleman from Ohio very carefully, and I have asked for a copy of his remarks because I am positive there is not an attack in that statement against Mr. Wyatt. Some facts were recited which I assume were taken from the official records of deeds in the gentleman's home town, and then that transaction was applied to the control which is proposed here. I was very much interested in what the chairman of our committee, the gentleman from Kentucky [Mr. SPENCE] had to say. He pointed out that a gentleman by the name of Wyatt had accepted a position which necessitated his transfer from Kentucky to Washington, D. C.; and then I think our chairman attempted to justify—and I am certain I am not in disagreement with that justification—that it was necessary to sell and that in selling that home a profit of \$15,000 was made on the \$10,000 original investment.

In my previous remarks I pointed out that a corporation employee, for instance, it might be a mud puddler working in a foundry or it might be the assistant president of that foundry transfers from one city to another, and he has to sell his home. I pointed out that he might have a home which cost him, say, \$10,000, and might sell it for \$15,000; and here you propose to put a penalty on that man if he sells that home at \$5,000 above what it cost him and read your penalties right into the law. Now I find the chairman of my committee is defending the right of a man to sell a home at a profit if he was transferred; and with that right I agree.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. SPENCE. I am defending Mr. Wyatt in what he did.

Mr. CRAWFORD. Exactly. You are defending what he did.

Mr. SPENCE. What did he pay for the home he bought in Washington? Does the gentleman have any statistics on that?

Mr. CRAWFORD. That has nothing to do with his right in the first transaction.

Mr. SPENCE. If an attack is not being made on Mr. Wyatt, why bring this up repeatedly?

Mr. CRAWFORD. That has nothing to do with the point I am making.

Mr. SPENCE. If it had nothing to do with it why does the gentleman continue this attack?

Mr. CRAWFORD. No attack was made against Mr. Wyatt. I am defending his right to sell as he did at a profit. An illustration is made to help us get into our think tanks the principles involved in this bill.

Mr. SPENCE. Mr. Chairman, will the gentleman yield again?

Mr. CRAWFORD. I yield.

Mr. SPENCE. Why the derisive laughter on the gentleman's side?

Mr. CRAWFORD. Oh, here is another attack now against the Republican side of the House; and the plea has been made by the majority leader not to make politics out of this. I have made no

attack on the Democratic side; I do not have to, I can get along without it.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. HINSHAW. I would like to remark in answer to the gentleman from Kentucky that that simply goes to prove as one transaction that if a man disposes of a piece of property on the market and has to buy a piece of property on the market, if he has a much lower ceiling price on the first property than happens to be on the second one because it never was sold before, he is going to lose living space in the transaction.

Mr. CRAWFORD. Yes, of course.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In answer to the chairman of the Committee on Banking and Currency, some of us on this side were not laughing at Mr. Wyatt or the transaction. We were laughing at the ridiculousness of your position as exposed by that incident, that is all. It makes you look silly.

Mr. SPENCE. The gentleman has a very peculiar idea of wit. It has been said by the gentleman from California that if a man sold a house upon which there was no ceiling and bought one upon which there was a ceiling—

Mr. HINSHAW. No. I put it the other way around.

Mr. SPENCE. He would obtain an advantage if there was no ceiling on the house he bought in Washington. Why do you not get all the statistics and say what he has to pay for his house in Washington as compared with what he got for his house in Louisville?

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Nebraska.

Mr. BUFFETT. On January 29, Mr. Wyatt appeared before the committee and the gentleman from Texas [Mr. PATMAN] asked him a question as follows: "Now, you have endorsed all allocations in this bill, and priorities, which, of course, are for veterans, and the pricing of old and new houses?" Mr. Wyatt answered: "Yes, sir."

That was on the 29th of January, just to complete the record.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BARDEN. Mr. Chairman, I move to strike out the last six words.

(Mr. BARDEN asked and was given permission to revise and extend his remarks.)

Mr. BARDEN. Mr. Chairman, I regret the last few minutes of discussion in the Committee. I do not know anything about Mr. Wyatt except that he comes here recommended as a very fine gentleman. I had the pleasure of meeting him this morning and he looks the part. I am not legislating here or proceeding on the theory that there is anything wrong with Mr. Wyatt, and there is no use of us trying to make a bad man out of Mr. Wyatt on account of a perfectly sound American transaction. That is the way we have always handled business in this

country. I am not going to criticize him one bit. There is not a single one of you who offered criticism that would not do the same thing. If anyone wants to deny that, let him do it now, I do not care whether it is the gentleman from California or anybody else.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Michigan.

Mr. DONDERO. I want to join the gentleman from Kentucky in defending Mr. Wyatt and his right to do exactly what he did; but why make it a crime under this bill for somebody else to do the same thing?

Mr. BARDEN. I will get to that in a minute. I do not want to get off on that just yet.

I am approaching the matter from this angle: I have read the bill over carefully. I do not think I have ever seen a bill that reaches any further into the intricate formation of our American society than the powers in this bill. I want to make a statement and I certainly do not want anybody to interpret my statement to be any reflection upon Mr. Wyatt. I want to say that the power contained in this bill is so far-reaching that a good man should not ask for it and a bad man should not have it. Maybe I am wrong. But if you will follow the ramifications in this bill that would involve the average GI you will see just about how much trouble he will have before he ever sees through a window that is in a house belonging to him.

If you want to know how the average GI feels about red tape, just put on a baseball mask or something that will protect your nose, and ask him how he is getting along about getting surplus property.

Now that is a practical application of it. That is all there is to it. You just ask one. The Surplus Property Act is not working and it is not working because there is simply too much red tape involved in it, and that seems to be the way the Federal Government operates when it begins to encroach on individual rights and individual transactions.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Kentucky.

Mr. MAY. A great Kentuckian one time said that to err is human, and to forgive is divine. I merely wanted to ask the gentleman if he does not think that even the Surplus Property Board, regardless of red tape or anything else, we have a lot of good men.

Mr. BARDEN. Oh, I am not attacking the men. I find the average Government man trying to do the best he can with the instructions we give him.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. WHITTEN. As to the illustration the gentleman gave regarding surplus property, cannot the same thing be said about the obtaining of a loan under the GI bill of rights?

Mr. BARDEN. And there is one of your troubles. My GI's do not want the Government to subsidize them. All they want is a simple way that they can get

a loan and some lumber and building materials. That is all they want. Our sawmills are shut down and we are simply not producing, and you can pass stacks of bills as high as your head and if they do not result in production of more lumber and building materials, then you will not have accomplished one thing.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BARDEN. * Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. I discussed this problem this morning with a man who operates three saw mills. All three mills are shut down, although he has a tremendous acreage of timber. I think that should engage the best thought and the best brains in this House and in the Housing Authority. I do not find anything in this bill that is going to relieve this situation. I find such things as this in this bill that bother me greatly:

For the purpose of obtaining any information under this section, the Director may by subpoena require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

It does not make any difference whether it is Washington and he lives in California or whether he lives in North Carolina and they want him to go to New York. You go anywhere, and if you violate that provision, to the hoosegow you go.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Pennsylvania.

Mr. RICH. I know the gentleman can tell the House what will cause those three mills to reopen to produce lumber, and I wish he would do so.

Mr. BARDEN. The same thing that has always made American industry and business great, and that is a fair margin of profit. That is all there is to it. These saw-mill men are not criminals. They are just as good folks as you and I or anyone else, and when it gets to where the cost of production begins to exceed what they are getting for their lumber, why, they cut the steam off at the mill. That is simple.

Mr. RICH. Then it is just a simple business transaction!

Mr. BARDEN. That is all. You can complicate it all you please and you come right back to a business problem that a high school student can understand.

Yesterday someone turned loose somewhat of a tirade that there was some kind of unseen hand working around the House, some kind of lobby activity. I did not like that. It was to the effect that there was a bugaboo behind the door, and I had not seen any sign of one. The only sign of it was today, when as I came to the door of the House one of the pages at the door handed me as he did all the Democratic Members, what purports to be a copy of a telegram from one Frank W. Cartwright, executive vice president. I do not know who he is. He is supposed

to represent the National Association of Home Builders or some organization of that kind. I do not know how that gentleman got the authority to have the pages in the House distributing these telegrams to the Members. I do not resent it, but that very kind of business is what gets the House in bad repute. We do not like to talk about lobbyists, and no man is willing to admit that he is spineless enough to let some lobbyist come in and tell him what to do.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Is there a man or a woman in this House who is so bankrupt in point of integrity and courage as to be influenced by anybody posing as a lobbyist?

Mr. BARDEN. I hope not. I sincerely hope not.

Mr. JENNINGS. Is it not a constitutional right of a man's constituents to let him know what they think about pending legislation?

Mr. BARDEN. Yes; and I hope it always will be. I want to hear from mine. But I am serious about this. I do not think we are getting very far on this legislation. I think the committee is split about three ways, and I think the House is split about nine. How we are going to draw a balance I do not know. I think if there is anything well established in this House right now it is that this bill is not acceptable to this House. I think that is unquestionably a true statement of fact. I would love to see the bill referred back to the committee. They would have the benefit of the 2 or 3 days' debate we have had, and certainly I hope everybody has learned something—I have—and see if we cannot handle this very serious and necessary problem more satisfactorily than is at present possible.

I do not want anybody to hang a flag up and say, "Well, I am for the veterans," and then expect me to fall right in behind it, when I know it is not going to help the veterans. I know veterans' language. I am one, and they are my friends, and I associate with them. But let us not hang some banner across and say, "We are now helping the veterans," when after we get through we will not have done them one bit of good, not one bit in the world. So I would love to see this bill reworked, and I am confident that if we do not we are going to come out with a bill that I doubt if anyone will really want.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not think anyone on either side of the aisle can accuse me of having raised the political issue at any time in the past and I do not propose to in the future. I am trying to the best of my ability to speak from what knowledge I may have which may be of benefit to those who have not had experience similar to mine, and to learn from those who have knowledge that I do not have, and need.

The subject of the building of homes is a very complicated one. It generally requires a contractor to coordinate all the various activities that go on in connec-

tion with it. There are many different types of building labor employed. There are a great many different types of material, from electric wiring and switches and push buttons in the homes that are fortunate enough to have them on down to the different types of heating and all of the rest of the things that go to make up a home. So the general contractor and his staff perform a real function.

Now, let us consider a particular home. I am going to speak for a moment about brick, because they do not use much brick out my way. We use mostly stucco-on-frame construction. Supposing a bricklayer can lay 2,000 brick a day in an 8-hour day without hurting himself, but owing to the restrictions that are placed upon him, not by regulation but by consent of his fellows, he reduces the number of brick that he lays to 1,000, and that is, I understand, above the average of brick laid by one bricklayer in an 8-hour day. Quite evidently it is going to cost twice as much to lay that brick as it would have cost if the man had done his utmost during the day.

Multiply that by all the things that go to make up a home and all the various activities involved. Run it back through to the materialmen, the sawmills, and into the woods, the clay pits, and the iron mines, steel mills, and so forth. You will find that unless each man does his utmost the home that is ultimately built is going to cost more money than it needs to cost. Who buys that home? The very man, or his brother, who did the building. Because he and all the others involved did not do their utmost, he is going to have only half as good a home as he otherwise would have for the money. Each one who shirks not only hurts himself but everyone else. I think it is about time every man and woman in this country who works, whether it be over a drafting board or with a trowel or hammer and saw, in a steel mill, as a manager, or anywhere else, I think it is time for them to get down to work and do their very utmost to produce. If we are going to feed the world and try to help in its rehabilitation, there is only one thing in the world that we must do now, and that is to get down to work and to work to beat the devil. I am speaking of the devil of starvation, famine, and homelessness. That is the truth. If we will cut out the strikes and settle our differences by negotiation, and get back to work and work hard, you will find that homes will cost much less than they do now. You will find everything else in this country will cost a great deal less. If we were to maintain wages on a level scale and maintain the rates of other things, such as interest and profits, and so forth, on a level scale, and every man were to do the utmost that he can do in the time that he labors, then every man would be able to enjoy more for his wages of the abundance that this country has to offer. That is what has made this country great.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, may I apologize to the House and ask that you bear with me for just a few minutes in order to keep the record straight. I do not believe that any Member of the House wishes to do an injustice to any man, whether he is a private citizen or a public servant.

When I used to work on a newspaper we had a sign over the city desk which said "Every story has two sides. Lest you might damage the reputation of a good man or a good woman, get both sides."

I think that is a pretty good policy for the Congress to pursue. I talked to Wilson Wyatt because I thought you might like to find out a little bit more about the situation which was dropped here in the middle of the debate, an incident dealing strictly with Mr. Wyatt's private life concerning the alleged purchase of a home at \$10,000 and the sale of it for \$25,000.

I merely wish to recite the facts so the House may have the full information, information that is not quite always divulged by the cold-hearted figures that show up in the books of the register of deeds.

Mr. Wyatt assumed the obligation of a \$10,000 mortgage on the home of his wife's mother after his wife's father had died. It was the family homestead that had been built by Mrs. Wyatt's father at the height of the last inflation, about 1924, and cost the family about \$50,000.

Mr. Wyatt, in order that the family could be together and have a suitable home in the family residence, sacrificed his own home at a loss of \$4,000 in order to take the family homestead. He assumed the mortgage of \$10,000 which was then upon it. That is the figure that the register of deeds shows. He has lived in that house since about 1936. He kept the house up and in good repair as well as maintaining the grounds.

It is true that when he came to Washington he sold the home for \$25,000. The only commercial transaction that took place in this whole situation is the fact that the homestead cost \$50,000 when it was built in 1924 and that it was sold for \$25,000 when he left. The rest was strictly a family matter and a matter which I think a really honest, conscientious, and faithful public servant is entitled to have go into the record.

Mr. FOLGER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, if I am not mistaken, we have under consideration an amendment offered by the committee which appears on pages 7 and 8 and a little on page 9.

As far as Mr. Wyatt's transaction about some property he owned in the State of Kentucky, which he acquired in some way and afterward sold, I do not think I should dignify that with any remarks or observations. Whether it be so, I cannot say, but it rather smacks of an effort to prejudice somebody against Mr. Wyatt, and I suppose obtain a vote against this amendment.

I do not think anybody need defend Mr. Wyatt, from the reputation we know of him since he came to Washington, and from what the people of Kentucky know about him before he did come here.

Let us go to this amendment. We talk about production, and we ask, "What are

you going to do to start the sawmills and other material manufacturing concerns to work? That is a consideration but it does not relate itself to the purposes of this amendment or largely to the objectives of this bill. That must come along as it will. But what we want to do is to first get homes for the returning soldiers, and unless we make it possible for them to buy those homes and place them within their ability to pay for them, we might manufacture and build all the homes you can find in the world and you would not get one that they could get, because they would not have the money to pay for it, unless you do something about this.

This is not a demagogic appeal. It is not intended as such, and any suggestion on my part that it is, is a gratuitous one. It is simply consideration of a situation that we realize as being very acute and needful of our attention at this time.

Let us read the amendment and see if it does not tend to protect the soldier when he comes to purchase some of these homes that may be built at a figure that he is able to meet. Here is the procedure:

A certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction.

Is there anybody who wants a soldier to pay more than that? Is there anybody, leaving out your politics and your party, that does not recognize his obligation and his responsibility to these men who are returning without homes, to guarantee that he may get a home based upon such sound and reasonable justice as this affords?

(2) The fair market value of the land.

You know it could be that if one wanted to speculate upon the necessities of the soldier, he could say the house cost so much but the land will be worth \$5,000, when it is only honestly worth two or three or four thousand. That is stopping an escape clause and could be used to rob the soldier when he comes back here with his wife, or after he is married when he does come back and needs a home.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. FOLGER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOPER. The gentleman from North Carolina is recognized for five additional minutes.

Mr. FOLGER. "Third, a margin of profit."

Some consideration is given to the man who is going to build this home, who is going to get the materials as they are to be provided, and who is to put up the cost of construction.

And third, a fair margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941.

Is there any member of this committee who desires anybody to make a greater profit under the acute circumstances these men will have to go through in order to purchase them? Should the contractor or the builder get a larger profit than he made in 1941? It is a matter of authority to channel materials at a reasonable price without profiteering to these men who need and will continue to need for the next 3 years a place to lay their heads.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. In just a moment.

I do not believe there is a member of this Committee who will shirk his responsibility and obligation to these men by making any laughing stock out of this bill.

I now yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I may say to the gentleman from North Carolina that we took that view and we placed ceilings on new homes. There was a good reason for that, for we are going to select a class of people and say we have just so much material which is scarce, and give them this scarce material. They should not be allowed to speculate and there is no reason on earth why there should not be ceilings on these homes.

The contractor, as the gentleman from North Carolina said, ought not to be allowed to make unreasonable profit because materials are scarce and the homes have to be built. These homes will be small, inexpensive homes, and there is no reason on earth why they should not be protected by ceilings.

Mr. FOLGER. I appreciate the gentleman's contribution.

Further, this amendment provides that a man may file a claim with this agency if the cost of construction under this program because of unforeseen difficulties or because of the cost of things entering into his construction, have gone up greatly—may file a claim for these extraordinary expenses and it will be given consideration by the agency.

Mr. Chairman, I appreciate the indulgence of the committee in allowing me to say this much in respect to this bill. It is highly important to the people who are not going to have homes unless we do our duty here and provide that they can get them at reasonable cost.

Mr. BUCK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, a tragic housing shortage exists in this country caused and continued by a shortage in building material. Something should be done to remedy the situation. As to both of those statements we are all in complete agreement. But when we attempt to devise and apply the remedy we have been confronted with thinking so confused as to be almost as tragic as the housing shortage itself.

Let us look for a moment at fundamentals. With the greatest demand for housing our country has ever known, houses are not being constructed because building materials are not available. Building materials are not available because of unrealistic price ceilings and

hampering governmental regulations. So then—and match this for confused thinking if you can—we are asked to cure the shortage by the imposition of more ceilings, more regulations, more bureaucracies, more governmental spending.

Mr. Chairman, production of building material and the building of housing can be stimulated in only one way. That one way is to make it worth while for producers to produce and for builders to build. I grant that this will somewhat increase the cost of housing. But, Mr. Chairman, this will produce houses. And is not that our objective?

It is my belief, Mr. Chairman, that our veterans would rather have houses for their families at somewhat higher costs rather than no houses at ceiling-controlled low prices.

For that reason, Mr. Chairman, I oppose the Patman bill and favor the Wolcott substitute.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I had not intended to speak on this bill, but certain statements have been made here that I feel I cannot resist adding my contribution and my thoughts on the measure. Since I came to Washington I have been a renter, but in my home town I own my house and I am a landlord. I rent the upstairs of my home for \$18 a month. I have spent money on the home since and if I took the time, I suppose I could risk that ceiling. But I have always felt an interest in those who needed homes.

I remember after the last war, in 1920, we had a little reconversion problem and some trouble about inflation in the cities for about 4 months; but the farmers had trouble for many years after that. It was due to speculation in land. They paid four times what the land was worth and they were busted for years, years, and years.

Mr. Chairman, I heard the statement made about three sawmills, I believe, that are closed down at the present time. I have talked to plumbers, I have talked to builders, I have talked to lumbermen, and in secret when the question is asked, I have not found one of them who was not making money. The statement has been made that the only people who are striking are the laborers. Let me say that the biggest strike in this country at the present time is being conducted by those who want excessive profits and engage in speculation, in which I would include the contractor, the builder, and the land speculator. They want to destroy price ceilings. I believe we should have a little sympathy for those who want to keep prices down and build homes which are so badly needed now. Let them start up their sawmills that a Member previously referred to. Let them produce lumber, and I will guarantee you that they will not lose a dime.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. JENSEN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am sure that every Member of this House is anxious to do everything in his power to get the needed houses for our returning veterans and every other American who is in need of a home today. I am not going to accuse a single Member of this House of not wanting to do that very thing, because I think I know the Members of this House and know their fine spirit in regard to it.

But there are some things that have been said on this floor in favor of the Patman bill that just will not hold water. I am getting a flood of mail every day, as I am sure every Member is, opposing this bill, from lumber dealers, carpenters, contractors, lumber associations, as well as from veterans opposing the Patman bill, for the simple reason, as they say, it will not produce a foot of lumber or any of the other materials needed. The lumber and building material people are trying to get the mills and factories going. The Member who just preceded me said that very few of these mills were shut down. Let me read a statement prepared by Mr. C. C. Crow, a writer for the Pacific Coast Lumber Digest. This is what he says in a recent issue of that magazine:

This week Mr. Frank Ransom, president of the Eastern & Western Lumber Co., of Portland, announced that within the next few days they will close for all time. This is one of the top sawmills of the Northwest that has been in operation for 45 years and at its peak produced over a long period an average of 110,000,000 feet of lumber annually.

Only a comparatively short time ago numerous other well-known sawmill concerns took the same steps as the Eastern & Western Lumber Co. To name a few, there have been the Clark & Wilson Lumber Co. with its three big plants on the Columbia River, Pacific National Lumber Co., Tacoma, Wash.; Silver Falls Timber Co., Silverton, Oreg.; Westport Lumber Co., Westport, Oreg.; and the big Bellingham division of Bloedel-Donovan Lumber Co.

Keep in mind that, with possibly one exception, all of these mills have or have had standing timber of their own when they closed. Keep in mind that all of these concerns were in a good financial position and enjoyed the prestige of long-established connections with the very best trade both domestic and foreign, who had come to know that they were capably managed and well equipped and their product of dependable, high-class uniformity.

These mills were closed because of the fact that they could not get a sufficient price from the OPA even to break even on many of the items that go into homes. I could go on and read you a lot of other things here which prove that the OPA has held down the production of lumber.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Minnesota.

Mr. GALLAGHER. May I ask if that company has not made and is not making money, and if it is not striking now at the OPA?

Mr. JENSEN. No; I certainly would not accuse them of that. I have never heard of a lumber mill or any other kind of business close shop who were making money at the time they closed.

Mr. PATTERSON and Mr. PATRICK rose.

Mr. JENSEN. I cannot yield. I have only 5 minutes. I have been obliged to

attend the hearings of the subcommittee on Interior Department appropriations almost every minute during this debate, even though I would like to be present on the floor all the time during this debate.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JENSEN. I thank the gentleman from Michigan. I do not know what is going to happen to this bill but I do know that all of us want to give the veterans priority to get this lumber, so I have prepared a substitute bill. If everybody in this House is as anxious to get lumber for the veterans as I think they are and as they have indicated they are, they will support my substitute; or I may offer it as an amendment at the proper place in the bill that is finally adopted. I will read it now. It provides that World War II veterans shall have first priority on all available building materials and other equipment necessary to construct and equip dwellings, business buildings, or farm buildings for their own use as a dwelling for their own family or for their own personal business. Any materials not required by World War II veterans shall be made available through the regularly established marketing channels.

You must remember that there are also many veterans who want building material to build a little building or possibly a good-sized building to use as a business house. When I was home during the recess I found many returned veterans that wanted to start a little business. There is nothing in the Patman bill that would give them priority to secure materials to do that. They have their home or they have an apartment or they have a room to live in, but what these veterans want is building material to get started in business.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Alabama.

Mr. PATRICK. What is the objection the gentleman has to legislation that will allocate what building material is available to the veteran, regardless of how oppressed the building contractors may be? What is the objection to that?

Mr. JENSEN. I will answer that. I think the Patman bill as it is written will create the greatest bureaucracy that any law ever created. That bill, if it is made law, will only permit this agency to send men out into every town and to have building expeditors in every city, town, village, and hamlet of the country. It will not get the needed material to build homes. Bureaucrats know little about the building game.

Mr. PATRICK. How could that possibly be handled without a board or proper authority?

Mr. JENSEN. It can be handled so easily if the OPA will properly adjust prices on building materials so that the lumber dealers can get lumber and other building materials, and then let the local carpenters and contractors go ahead and do this job in the American way, instead

of building or taking over some great plant and spending millions of dollars in making tin-can houses and glass cages and a lot of other junk that was never intended to be used for human dwelling houses.

Mr. PATRICK. Would not that open the door as wide as can possibly be imagined to inflation, the very thing we are trying to prevent?

Mr. JENSEN. I am glad the gentleman mentioned the subject of inflation.

Mr. PATRICK. So am I.

Mr. JENSEN. You say you are worried about inflation. You know we have to get the national income on a high level and we have to let the American people make a fair profit and good wages in order to pay the great overhead expense of this Government today. If we keep on with deficit spending and this bureaucratic control the American people are finally going to lose faith in their Government bonds, and before we know it we will have currency deflation to the point where it will take a bushel basket of \$10 bills to buy a loaf of bread.

That is something we had all better be thinking about now.

Mrs. DOUGLAS of California. Mr. Chairman, I move to strike out the last word.

(Mrs. DOUGLAS of California asked and was given permission to revise and extend her remarks.)

Mrs. DOUGLAS of California. Mr. Chairman, I have been on the floor for the last 3 days and have heard nothing but production, production, production. I know a little bit about production. I come from a family of builders and engineers. I do not know how you are going to get production in the present situation which we find ourselves in except through relief in the matter of increased prices and subsidies in certain instances. You have both remedies in this bill. Now, is it production we want or do we want to take the lid off? According to the best estimates that are obtainable, 4,000,000 veterans will be unemployed at the end of the year with no income except that derived from GI unemployment benefits. They are going to want homes. They cannot pay the prices that they will have to pay, that is, if they can find houses at all, unless we do something. I had a housing survey made some months ago in my own district because I happen to live in a district which is very heavily populated and very overcrowded. Although there have been extensive housing surveys made, I made my own survey. This is the sort of thing that I found as a result of that survey. In the heart of Los Angeles, you can find bad housing and crowded housing conditions in the front part of the streets. What you find in back of that, in the back yards, is something even worse.

You find, for instance, something like this—a garage that has been cut up to take care of 20 to 25 families with thin metal partitions of some kind or other, with just one little narrow space—you could not even call it a room—but just a place for a bed and some kind of rude contraption like a sterno stove. For that, they were paying \$10 a week in rent. There was one toilet and one basin to service those 20 to 25 families, and

neither of them worked very well. This was not just one isolated case but typical. There are hundreds of instances of the same sort of situation existing throughout the city of Los Angeles. In the city of Los Angeles today, we need 132,000 family dwelling units. That is in the Los Angeles area alone and not Los Angeles County. That takes in only the city itself with just a very small part of the county. Neither is this garage an example of the worst places I saw, but it is an indication of the kind of shelter which is being afforded those who need housing in the lowest income groups in the country, in which group there will be many veterans who are now returning home.

Let me cite you another case. In back of one house—it must originally have been a doll house. I do not know what it was. It had no toilet, no bath, no facilities. The house was not any bigger than the length of these four chairs; just big enough for a bed and a little crib. In that doll house there were a mother and father, and three children. They were paying \$20 a week for that. When I wanted to put it on the list to report it, they begged me with tears in their eyes not to put it on the list, for there was no place else for them to go.

Someone mentioned there was a moral implication in this bill. There is a moral implication in the bill. We are much concerned about our way of life and the life of all families. You must have homes to keep the family secure. You know that. We just do not have enough homes and we are not going to have enough homes unless we set a goal for ourselves that is realistic, that takes cognizance of the number of people who have to be housed. There is no sense in building houses unless you keep them down within a price level where the people who need them can afford to buy them. I believe you want homes built. If you want homes built, you must provide the materials to build them and give someone the authority to see that these materials go into homes, not honky tonks.

To bring about a large increase in the production of materials, adjustments will have to be made in prices and premium payments will have to be made to small marginal producers.

This bill does all of that. It may not do all of the things we want it to do and there will be objectionable features in its administration. But something is better than nothing.

The Congress has its chance now to do something.

The CHAIRMAN. The time of the gentlewoman from California has expired.

Mr. MUNDT. Mr. Chairman, I move to strike out the last word.

(Mr. MUNDT asked and was given permission to revise and extend his remarks.)

Mr. MUNDT. Mr. Chairman, in the nearly 8 years of almost continuous sessions that I have been a Member of this body, I have observed that when a bill is debated as this one has been debated for 3 days, and long continuous debate takes place under the 5-minute rule, ordinarily one of two things happens: either there is a gradual merging together of different points of view until

we find that regardless of party a substantial majority of the Members of the House find a compromise approach to the legislative challenge on which we can vote in the affirmative, or else we find that the basic legislation before us develops so many deficiencies, contradictions, and inadequacies that the best approach is to return it to the committee for further study and hearings, with the understanding that a revised form be resubmitted to the House.

I have seen legislative progress made by both procedures, but I have seldom seen legislative progress made where we have tried to patch up a bill which is basically unsound and on which there is as much honest disagreement among Members of all points of view as there is in this particular piece of legislation.

I commend to you the serious reading tomorrow morning of the very effective, hard-headed, practical speech delivered by the gentleman from North Carolina [Mr. BARDEN], who, in my opinion, summarized everything there is to be said about this legislation at this particular stage of the game. It should be returned to the committee and it should be resubmitted to us in view of the criticisms, the debate, the suggestions, and recommendations which have come during these 3 days of debate.

The first object of the legislation, of course, is to make homes available for the veterans. If there were no shortage of homes for veterans, the bill would not be before us. The second reason is that we want to make building supplies available for the building of new dwellings and for other construction purposes. If there were plenty of building supplies the bill would not be before us.

Unfortunately the bill we have before us meets neither objective. We find that this bill has been dubbed by one of its most intelligent and effective defenders, the gentleman from Georgia [Mr. BROWN], as an orphan. He says he is still supporting that orphan. That orphan has been disowned by two factions of the Banking and Currency Committee, however, and by most Members of the House. I would like to see the Committee on Banking and Currency adopt that orphan and take it back to the committee room and give it a little more consideration, give it a little more sustenance, and bring it back to us so that the whole committee can be proud of the product which they bring back to this body.

Many times my able and adamant friend from New York [Mr. BARRY], a member of the committee, has challenged people who criticize this bill with these words: "What do you propose that we do?"

I do not think that is a particularly valid criticism of those who find flaws in the legislation, because by that shot-gun marriage approach that you have to take this bill or else does not always produce a very good result. But I want to make some specific proposals I hope the members of the Banking and Currency Committee will carry back with them when they carry this bill back to the committee as I hope they will be requested to do by a vote on Monday.

I trust we can have some kind of motion to recommit which will not tie the

hands of the committee too much, which will not pin them to any particular legislative approach but which will simply tell the Banking and Currency Committee that we, like you, want a bill to provide building materials and homes for veterans and we hope you will produce a bill which will meet that need.

To help you study the bill I hope you will keep in mind these suggestions:

No. 1: I think the OPA directors and the other authorities of the Government charged with housing problems should hold a national conference in Washington in which they will confer with practical builders and private producers of building materials, in which they will get the advice of practical men in the labor unions involved in the production problem with which we are dealing and struggling at this time; and that at that conference they will secure the best suggestions from labor and from producers and from the Government officials which can be incorporated in legislation if necessary to help stimulate production, because stimulation of production is basic to the solution of this whole problem. This conference should also go into the readjustment of OPA regulations and ceilings to the end that production of building supplies will be stimulated.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. No. 2: That we establish by legislative authority running beyond the time limit of this bill the authority to establish priorities for veterans in the use of materials for homes. I think that is essential and should be a part of the program.

No. 3: I think there should be loans and aids in order that housing facilities for veterans should be made available so they can build houses for themselves or purchase them for themselves.

No. 4: I think there should be an insistence on the part of somebody in government or in Congress that the military authorities and the various services should declare surplus and make available at once all unneeded building supplies and housing facilities which can be used and transferred and remodeled into residential units. In most of our districts there are presently large military establishments. There are large quantities of lumber and a lot of building supplies which could be transferred and there are a lot of buildings which could be remodeled into units for the accommodation of veterans' families and for civilian use which could help meet the problem temporarily. This would provide something as a stopgap procedure certainly better than the little homes and houses described as existing in part of Los Angeles County by the gentlewoman from California [Mrs. DOUGLAS].

No. 5: I would suggest that the Government immediately stop all export of building materials until we have

worked out a suitable program for meeting the needs of the veterans in this country.

I think these five proposals will result in helping us do an American job of providing homes for veterans in the American way, which I think is highly important.

To me, the bill as it is now before us is a sort of vehicle embodying the obsolete fallacies of the New Dealers from 1932 down to the present time; and that is that somehow in some way the New Dealers have the unfortunate habit always of trying to solve problems by prorating and patrolling scarcities rather than by stimulating and insisting on production.

I have seen that happen in farming, I have seen that happen in merchandizing, I have seen that happen in manufacturing over and over again under the New Deal. When they are faced with a problem they look at the available supply and try to prorate it and police and patrol it rather than to use every effort to make additional materials available to do the job in the American way. It seems a chronic fallacy of the New Deal to try to divide scarcity rather than to endeavor to produce plenty.

I am happy to see that fewer and fewer of our good friends and highly able legislators on the Democratic side are continuing to support that fallacy these days which bases its logic on the theory that you have to accept what you have, scarce though it be, and divide it among people rather than to meet the problem by giving us a bigger stock pile from which to draw. There is hope for America in this steady decrease in supporters of the socialistic concepts of the New Deal.

There is no basic partisan division on this bill; it is a matter of getting housing for veterans. Nobody objects to that, Democrat or Republican. I reiterate that the best speech made in the last 3 days of debate on this bill, the speech that merits the most careful reading tomorrow morning and over the week end is that made by the constitutional Democrat from North Carolina [Mr. BARDEN], who without passion and without prejudice brought us back from a discussion of Mr. Wyatt and other extraneous items to the basic consideration of providing houses for veterans. The fact that I recommend his speech so highly demonstrates once again that this housing bill is not a partisan proposition.

The gentleman from North Carolina [Mr. BARDEN] showed why it is necessary and advisable to get this bill back into the committee room where with adequate hearings and careful consideration we hope something may be produced which will get, not promises, but houses and buildings for the veterans of America.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from California.

Mr. PHILLIPS. Is it not the gentleman's opinion that practically all, if not all, of the powers of this bill can be reached through existing agencies; that this is also evidence of a historic New

Deal policy that when an agency of Government fails to do the thing it has been delegated to do a new agency is created to duplicate its objectives?

Mr. MUNDT. Yes; I think that has been the policy of the Federal Government since the beginning, perhaps, but the New Deal has enlarged on it and magnified it until we find it now operating to a more prodigious and potent degree than ever before. Frankly, it is one of these procedures that we have had in the Federal Government but which the New Dealers have carried to the height of extravagant extremes. Both Democrats and Republicans must cooperate to reduce this giant bureaucracy and get our Government back in the hands of the people once again.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. HOOK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, consistency thou art a jewel. I have listened very attentively to the gentleman from South Dakota; I also listened attentively to the gentleman and his colleague from South Dakota some time ago when we were discussing the Case bill at which time they pled on the floor of this House and said that the floor was the place to perfect the bill. Now, of course, they do not want to perfect the bill on the floor of the House but want to send it back to the committee.

Consistency thou art a jewel.

Yes, I have listened to the debate this afternoon and I listened to the discussion with regard to Mr. Wyatt. I was firmly convinced in my own mind, as others were on the floor, that there were extraneous matters and other features that probably were connected with that transaction, and I am glad that the gentleman from Oklahoma has cleared that matter up.

This bill has many features implementing its over-all policy, but its control of prices in the real-estate and building fields and in the authorization of subsidies for material production are the most important and, of course, the most attacked features. I had occasion to make a study with regard to this because I have a weekly program in my district. I was surprised at some of the statistics that that disclosed.

If there is one single phrase that all of us have become well aware of in the last several months—that phrase is "housing shortage." In the papers, over the radio, in conversation with friends and neighbors, the housing shortage is discussed and debated. And for good reason.

Long years of neglect and planlessness have left this country tragically short of homes for its citizens. I do not mean just that we are short of decent homes for our people—we are short of homes of any kind. Many of our veterans cannot find a hovel or a shack to call his own.

This condition is not confined to big urban areas—the industrial centers—by any means. Every day in the week I get letters from people here in the Upper Peninsula who just do not know where to turn to find a place to live.

I have talked before about housing, urging a comprehensive national con-

struction program such as that envisioned in the Wagner-Ellender-Taft bill now before Congress.

Today I want to talk about another aspect of the housing situation—the inflationary side of the housing shortage.

Inflation, as you know, results from a condition where demand exceeds supply. The short supply of housing, coupled with the unprecedented demand, has created an inflationary tendency, which, if uncontrolled, threatens not only to hamstring the construction of new homes but to crack the whole anti-inflation line.

The bill introduced by my good friend, the gentleman from Texas, Congressman WRIGHT PATMAN, is known as the Housing Stabilization Act.

During the past several months my office, and the office, I suppose, of every Congressman on Capitol Hill, has been deluged with propaganda against this bill. As usual, it was not the little people of America—the people without homes or needing new homes—who bombarded Congress. It was the organized business interests who saw their profits threatened by any kind of stabilization in housing.

It is estimated that telegrams and messages sent out last week end alone by realtors, landlords, and builders cost in the neighborhood of \$25,000. The gentleman from Texas, Congressman PATMAN, has charged on the floor that this powerful lobby has raised a million dollars to defeat housing legislation before Congress, including the stabilization bill.

The objectives of this bill are simple. Let me read you the statement of policy it sets forth:

The purpose of this title is to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate.

I cannot see how there could be honest, unprejudiced opposition to that—but there is, and plenty of it.

The statement of the bill's objective goes on:

To eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices.

Certainly the hope of eliminating profiteering on housing when thousands and thousands of war veterans are the victims of profiteering, is a desirable aim.

The old cry of socialism and regimentation has been raised against the Patman bill as it has been against every other effort to control profits in the war and reconversion period.

Other purposes of the bill, briefly stated, are to encourage housing at a fair profit, to improve housing standards, to discourage the dissipation of savings in speculative purchases and to permit returning veterans to acquire housing at fair prices.

This bill seeks to attain these objectives by providing authority to control prices of new homes by stabilizing them at present levels. In view of the fact that prices are already inflated, this seems a very minimum check against further inflation. It would provide for a

housing expediter to administer regulations under the law.

The bill has many features, implementing its over-all policy, but its control of prices in the real-estate and building fields, and its authorization of subsidies for materials production are the most important, and of course, the most attacked features.

One of the questions that has been raised as to whether Government controls are needed in the construction field, is whether or not controls will slow up total construction or the reconversion of the construction industry to peacetime needs.

In this connection, I think a reference to World War I is appropriate. During that period, 42 percent of the inflation in material building prices took place during the war itself, but 58 percent of material price increases came after the war. The total cost of constructing a home rose 60 percent after the war. Altogether, construction prices rose up to 189 percent before the boom collapsed.

Obviously, there were no controls then. If the argument is that controls are bad for construction, what happened at that time should teach us a lesson.

This is what happened. During the war 174,000 housing units were built annually and this figure went up to 405,000 in 1919, the first peace year. But the next year it went down again to 247,000 homes despite increased demand. By 1922, costs of building had declined somewhat and housing production went up—but still at inflationary and speculative prices.

By 1926, inflated prices in housing construction resulted in 68,000 mortgage foreclosures. This figure doubled by 1929.

No one, not even the realtors and construction industry, wants that to happen again. But unless some such controls as contained in the Patman bill are enforced, it will happen again. The profits of today and tomorrow will add up to the foreclosures and bankruptcy of 1950. Do not forget that.

Many of those who oppose price control of real estate argue that rent control and price control of materials are enough. Obviously, it is not enough. I do not see how it is possible to enforce rent control or material price control, when the sky is the limit on the price of complete homes. All I can see in that is a clear invitation for builders to use the black market in construction materials.

The people who will benefit most from real-estate controls, and who will suffer most from the lack of them are the small home owner—the potential small home owner. Thousands of these are the veterans who want to take advantage of the GI bill of rights to provide a home for their families. There is nothing in the GI bill which can prevent the veteran, along with every other home owner, from suffering the inevitable deflation resulting from continuously rising prices. This bill is needed and necessary.

Mr. HERTER. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, there is one phase of this bill and one phase of the Wolcott substitute that has been discussed very

little on the floor of this House during the many days that this bill has been debated. I want to refer to that part of the bill which, to my mind, is most likely to get houses built—and I think that is the objective of everybody in this House—than any other section, namely, the section that deals with the powers of the Expediter in one case and the Director in the other case, to override the Stabilization Director and the OPA when it comes to the bottlenecks that have been referred to very frequently here as being the principal cause of postponing the natural development of housing in the country.

I want to call the provision to the attention of the Members particularly at this moment because there are sitting in the White House now a number of gentlemen who are discussing a tragic situation. They are discussing how to divide equitably the insufficient food supplies of the world among a great many suffering peoples.

In the last 4 years on this side of the aisle those who were interested in getting greater production and the right kind of production of food in this country have argued over and over again that it could be done only if the powers of pricing and production were in the hands of the same individual. We did it at the time that Mr. Chester Davis resigned. We did it at the time that our former colleague, Mr. Anderson, was made Secretary of Agriculture. We tried to get those powers in his hands so as to develop the maximum program of food production in this country.

During this last week I have sat with the Select Committee on Food Shortages, with representatives of the OPA on one side of the room and representatives of agriculture on the other side of the room. On one food question after another they were in disagreement. On one food question after another where repricing is required to bring things into balance or to get greater production, action was completely stalled. The new stabilization director has been head of the OPA in all those controversies. The man responsible for production, namely, the Secretary of Agriculture, has had not only the vote of the OPA against him but has had the vote of the umpire against him, because the umpire originally determined the policy of the OPA. Many of these tragedies would not be happening now if earlier in the game the gentlemen on the other side of the aisle and the administration had recognized the cardinal point that price and production must be put together and in the hands of the man who is going to be held responsible for production.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. When the gentleman said, "This side of the aisle" he meant the Democratic side of the aisle, did he not?

Mr. HERTER. I spoke definitely of the Democratic side of the aisle.

I am delighted to find, first, that by Executive order that policy has been changed by giving Mr. Wyatt pricing powers as well as production powers,

and, second, that in the bills before us that principle is recognized. I understand the gentleman from Texas [Mr. PATMAN] is going to offer an amendment so there will be no doubt about the language in his bill with respect to the powers of Mr. Wyatt. I hope very much that that principle now having been recognized by the administration and by the Democratic side of the membership of this House, when the consideration of the OPA continuation bill comes up, the Committee on Banking and Currency will give to our former colleague [Mr. ANDERSON] identically the same powers as they now wish to give Mr. Wyatt, thereby speeding up the production in agriculture in this country, which is so terribly needed not only for our own sakes but for the sake of all the peoples in the rest of the world. I wish to compliment the Committee on Banking and Currency for having recognized the principle that the Republican side has so consistently advocated.

Mr. GILLIE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GILLIE. Mr. Chairman, I have followed the debate on this housing legislation with a great deal of interest. There is no denying that we are confronted with the worst housing shortage in our history and that this shortage is growing more serious every day. Millions of our boys are returning from overseas, anxious to establish homes as quickly as possible. They do not want excuses. They want houses. It is up to the Government to see that they get them.

I would like to believe that the solution to this problem is as simple as the proponents of this legislation assert. I would like to believe that this bill contains the magic formula to eliminate all housing bottlenecks and create the millions of homes so badly needed by our veterans. I do not, however, have any such hopes for this legislation. In my opinion, it presents only a partial solution to the problem.

Mr. Chairman, the principal bottleneck to large-scale home construction is the critical shortage of building materials. There appears to be no disagreement on this point. This being the case, I would like to know why we are shipping millions upon millions of board feet of lumber and other critical housing materials to foreign countries.

According to figures released by the Foreign Trade Division of the Bureau of the Census, more than 400,000,000 feet of lumber were exported from the United States in 1945. Furthermore, it is planned to increase these exports to a billion board feet in 1946.

In addition to this, we are exporting approximately 300,000 doors per month, 15,000,000 bricks per month, and nearly 3,000,000 square feet of plaster and wall board. We are also exporting in excess of 27,000 bathtubs and fixtures per month.

Mr. Chairman, with building materials in such great demand at home, I simply cannot see the logic of permitting these exports to continue. The Government,

in my opinion, should take immediate steps to channel these exports into the domestic home-building program.

In this connection, I would like to include at this point a statement by the leading lumber dealers of Fort Wayne, Ind., entitled "The Truth About Home Building in 1946." Asserting that it's time veterans and all citizens were told the truth about the home-building situation, the statement declares:

The main bottleneck to home construction is production of materials and equipment.

No legislation, Presidential announcement, Government control plan, or system, can produce a single additional home until production of materials is speeded up.

Lumber dealers and the building industry are eager to build homes for veterans and all citizens who need them. The reason few homes are being built is because materials are not being produced.

WHY?

1. Governed by OPA's wartime pricing formulas, it is still more profitable for lumber mills to make items for export—and the items formerly required for war use, than it is to make lumber usable in home construction.

2. OPA's wartime pricing formulas are still keeping thousands of small mills out of production.

3. OPA's enforcement policies have allowed the creation of a large black market in lumber which is moving outside of regular channels of trade.

4. OPA's slowness in adjusting mill ceiling prices on hardwood flooring, siding, millwork, and plywood has contributed to difficulties mill are having in securing necessary manpower.

With 400 brick and tile plants closed, it took 6 months for OPA to adjust prices. Now an additional 125 plants have opened and production is up 35 percent.

Clay sewer pipe, cast iron soil pipe, and gypsum board manufacturers have experienced a similar OPA delay in the granting of price adjustments to make increased production possible.

No amount of juggling with an insufficient supply will produce a single home more than can be built with material available.

The OPA can hardly hold present price ceilings when it has no control over volume of employment, labor wage rates, cashing of Government bonds, and installment or credit expansion—but the OPA can act as a block to reconversion by clinging to unrealistic wartime price ceilings.

Unblock the production of materials caused by unrealistic wartime price controls and the building industry will build enough homes for veterans and all Americans.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all Members who have spoken on the bill be permitted to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky.

There was no objection.

Mr. SPENCE. Mr. Chairman, I am confident that the pending amendment is noncontroversial, and I ask that we have a vote on it now.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 9, line 3, strike out lines 3 to 12 inclusive and insert the following:

"(c) The Director shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 10, line 3, after the period insert the following: "The Director shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program."

Mr. ELLSWORTH. Mr. Chairman, I arise in opposition to this amendment not for the purpose of debating the question of whether or not lumber exporting should be suspended during the present housing emergency, but to oppose the placing of the power over exporting of lumber in the hands of a housing expeditor and taking that function away from the departments of our Government charged with the handling of our foreign affairs. Other matters are involved in the question of importing and exporting lumber besides merely loading and unloading ships. For example, we need tin for housing, too, which we must obtain from Bolivia. That country needs lumber and we are exporting lumber to Bolivia. We buy sugar from Cuba and have reciprocated by allocating lumber for export to Cuba.

No one denies the urgency of our need of lumber for housing. Nor, I am sure, would the other Government agencies be insensible to this urgency. The housing expeditor created by the passage of this bill, if, indeed, it is ever passed, should advise and consult with the other agencies but should not be given the complete power of decision on the question of whether or not any lumber should be exported.

As a matter of fact the total export of lumber under present conditions is small. Although the lumber export quota set for 1945 was much higher and the request from foreign countries was many times the amount actually shipped, we exported last year only 394,331,000 board feet of lumber—or 1.44 percent of our total production. But in the same year we imported more than 1,000,000,000 feet of lumber. More than half of the lumber we exported went to the British Empire. Most of the lumber we imported came from Canada. Obviously if we cut off exports to Britain it is only reasonable to expect that Canadian shipments would be diverted for British needs.

The lumber export quota for the first quarter of this year is 225,000,000 board feet, a drop of some 35,000,000 board feet from the average 1945 quarterly allocations. We have consistently shipped a great deal less than the allocation. If uncurtailed in any way it is not likely that the exportation of lumber during this year would exceed much more than 1 percent of our total production.

Of the lumber exported in 1945, 30 percent was hardwood, 35 percent was in timbers unsuitable for housing material, and only 35 percent was housing lumber—approximately 140,000,000 board

feet, or the equivalent of the annual capacity of just one of the larger Pacific Northwest mills.

Lumber shipped to the liberated areas of Europe is used for the rehabilitation of docks and wharves, railroads, bridges, canals, and inland waterways. The rehabilitation of the transport system of these countries is essential to their economy and permits them to reestablish their exports so as to restore their trade with this country. It contributes to facilitating the redeployment of our troops and supplies from Europe. The export program on lumber, as carried out by the Civilian Production Administration in the past and at present, is not only in line with the President's policy of aiding war-devastated countries but also results in direct benefits to our own economy through reciprocal imports of lumber which far exceed our exports.

It will be far wiser to leave the problem of lumber exports and imports in the hands of those who know the ins and outs of the problem rather than to give a newly created housing czar complete and final authority over it. I hope this amendment will be rejected.

The committee amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, pursuant to House Resolution 530, had come to no resolution thereon.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

MARCH 1, 1946.

The Honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I hereby present my resignation from the Committee on the Post Office and Post Roads.

Respectfully submitted.

M. M. NEELY.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

EXTENSION OF REMARKS

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include a letter which he received from Dr. Adrian H. Scolten, of Portland, Maine.

Mr. PATRICK asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include three newspaper releases.

Mr. ELLSWORTH asked and was given permission to extend his remarks immediately preceding the adoption of the last

vaded Normandy and long before Germany surrendered. After that we had the task of bringing Japan to her knees, so Britain had almost a year's start on us. Why is official Washington so concerned about British reconversion and so complacent about our own reconversion?

14. An advertisement in the London Daily Times January 16, 1946, reads: "USA orders 250,000 Vacuum Cleaners from Britain!" Before the war we sold such household equipment to the United Kingdom. Is not this reversal in trading significant?

15. While Britain is applying for a loan here she is negotiating loans to other nations. Greece, for example, gets forty million in British loans and Britain receives in return valuable commercial and political advantages. Why is Britain loaning money if she herself must borrow?

16. Britain owes India and Latin America \$15,000,000,000. This debt must be and should be serviced and paid in British goods. Everyone except our State Department understands what a tremendous advantage that gives British factories over our factories. Loans from us cannot change her natural trading advantages. We have no foreign debts which we can liquidate with American production. Does not the nature of the British debt structure give her a tremendous trading advantage over the United States?

17. According to Werner Knop in the Saturday Evening Post, February 9 issue: "The net income of every Briton after taxes has exactly doubled. His wartime savings equal \$35,000,000,000 plus \$14,000,000,000 in bank deposits and twenty billion in postwar credits."

That totals \$69,000,000,000 of British purchasing power through savings. On a per capita basis British savings equal ours. Why should not the British Government borrow from her own citizens as our Government must?

18. Germany and Japan, Britain's two pre-war competitors for world trade—thanks to the Morgenthau scorched-earth policy—have been completely eliminated as industrial nations. What more can Britain ask from us than that?

19. Lending money to foreign nations was not one of the original purposes for which the United States of America was created. Should the pawnbroker's emblem—three balls—now decorate the United States Treasury in Washington? Are the founding fathers turning in their graves as they view this disturbing spectacle?

20. In the United States politicians and officeholders are here today and gone tomorrow. Is a nation operating under such a political system equipped to make a success of the international banking business?

21. Would not my slogan "Billions for the relief of the starving babies abroad, but not one cent for the relief of empires" be timely and very proper at this time?

22. We are all seeking an easy way out and a short cut to glory, but is not the solution to our problem, Britain's problem, and the world's problem, work and sweat? Is there any other real solution?

to a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mrs. DOUGLAS of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, whatever our sympathies for the veterans, the fact remains that we sent 13,000,000 men into service to fight, we said, for their homes and their country. When they came back, there were millions who could not find adequate homes. When we needed them, we overcame every obstacle in order to get them first-class equipment to fight for us. When they needed us, there were many who thought that we could and should do nothing for them. Mr. Wyatt's program is the equivalent in peacetime of the wartime goal of 150,000 planes a year launched in 1941. Mr. PATMAN's bill, I believe, is a constructive program for implementing that program.

A Letter From a Constituent

EXTENSION OF REMARKS OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include herein a letter I have received from the members of the band of the U. S. S. *Dixie* who give their reasons for their desire to transfer from their present assignment:

U. S. S. "DIXIE" BAND,
U. S. S. "DIXIE," FOURTH DIVISION,
CARE OF FLEET POST OFFICE,
San Francisco, Calif., February 26, 1946.
Representative THOMAS J. LANE,
Member of Congress,
Washington, D. C.

DEAR REPRESENTATIVE LANE: The reason for this letter is to appeal to you to do all you can to have the U. S. S. *Dixie* band transferred from its present duty. We have many excellent reasons for this change of duty but so far our requests seem to have fallen upon deaf ears. Nor are we given any sensible information as to the why or wherefore.

We are writing all the Members of Congress who represent the respective members of our organization. We sincerely hope that you can take a just view of our condition and help us all you can as our ship is ready to sail April 1 for at least 6 months of foreign sea duty and very possibly more.

In the following paragraphs you will find the reasons we set forth and upon which we base our claims that we rate, need and deserve a change from sea duty to shore duty.

We are not being used as musicians. There is little likelihood that we will be in the future. We haven't played for 4 months. Several of our key men have been released or transferred which seriously cripples our ability to play even if we are switched back to our music duties. Our present duties include mess cook duty, watches, bus driving, stevedoring, and various working parties. This work is normally done by seamen or non-rated men. We are all rated musicians.

When we left the school we were told that after 18 months we would be given shore duty. Later the bureau changed it to 24 months. There was an Alnav put out in 1945 that stated that after 24 months of sea

duty a man is eligible for rehabilitation leave and reassignment! Our ships files seem to be incomplete and we are unable to find the number. We have been on the *Dixie* for 26 straight months of uninterrupted and continuous sea duty!

Our powers as musicians have been waning considerably. The future will not help. In our profession, where 3 to 6 hours a day of practice are almost necessary to keep in good playing condition, this 4-month lay-off with 6 more in the offing will be disastrous. This ship has no facilities for individual practice and very little for band rehearsal. This ship does not need a band.

We are definitely not essential! That is definitely proven by the type of duty which has replaced our specialized duties.

We are all maladjusted and nervous from our continued duty in the Pacific. We didn't see any kind of civilization for almost 2 years. We sincerely doubt if we will be able to mentally survive another ordeal of 6 months or possibly more time at sea.

We haven't spared ourselves in the slightest to do our part during the war which our records will testify. Now that the war is over we feel that we surely rate some consideration.

Out of a group of 1,400 men the band is practically the only senior group to return to sea.

We hope that you can do something for us and that you will be convinced of our plea before April 1.

Sincerely yours,

Paul S. Barth, Musician Second Class;
Robert E. Puff, Musician First Class;
Gerald W. Bordner, Musician Second Class;
Robert F. O'Brien, Musician Second Class;
Clyde W. Reynolds, Musician Third Class;
David L. Walters, Musician Second Class;
Donald L. Dean, Musician Second Class;
Turner M. Gaught, Musician Second Class;
Leslie E. Walden, Musician First Class;
E. Donald Stute, Musician Second Class;
Golden A. Smith, Jr., Musician Second Class;
Robert G. Appleton, Musician Third Class;
Bruce B. Denney, Musician Second Class;
J. H. Foley, Musician First Class;
J. W. Haas, Musician Second Class;
F. J. Hanneman, Musician Third Class;
Gordon W. Sperl, Musician Second Class;
C. L. Hartmann, Musician First Class.

Radio Address on Congress Speaks Program

EXTENSION OF REMARKS OF

HON. JOHN E. FOGARTY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me on the program, Congress Speaks, over CBS, Station WTOP, Washington, D. C., February 12, 1946:

Of all the experiences I had while on the committee's assignment to the Pacific bases, the most vivid impression remaining with me is the vastness of the Pacific Ocean. Here is an area of tremendous distances. It is impossible to describe adequately the magnitude of the task which faced our fighting forces in mounting the various stages of the offensive against Japan. Thousands of miles separate the many groups of islands from

The Housing Bill

SPEECH OF

HON. EMILY TAFT DOUGLAS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding there-

which the Japs had to be routed before our men could move forward to their ultimate goal.

Hundreds of thousands of tons of shipping were required to move men and equipment across thousands of miles of ocean on the long road from Guadalcanal to Iwo Jima. If nothing else has been accomplished, this assignment has convinced me that the United States must never again lose sight of its true relationship to the lands which lie across the Pacific Ocean. To maintain and protect that relationship the first essential is an adequate navy—with the correct type of ships and bases.

Millions have been spent in developing island bases, some of which are so situated that they are of vital strategic importance to the future security of our country. After weighing carefully all the considerations involved, it is my sincere opinion that several of these island groups must be retained by the United States as our exclusive possessions.

The Marshalls, the Marianas group and the Carolines are, I believe, of particular importance. These must be developed even further until they are formidable American outposts. I am unable to see how we can intelligently advocate any other plan.

These islands have been of tremendous value in the development of the offensive against the Jap homeland. Their importance to the security of the United States has been clearly demonstrated in the war which has just closed. If further evidence of our right to these bases is required, then I respectfully and humbly call attention to the pretty, well-cared-for cemeteries which dot those islands; where row after row of white crosses bear mute testimony to the terrific price our people paid to win these island outposts. The great sacrifices which were made by the people of the United States convince me that we must continue to be vigilant in order to make certain that the peace these brave men bought with their lives shall not be disturbed. Because of these men who gave the last full measure of devotion our western frontier is now far west of San Francisco.

I had the privilege of talking to many of the enlisted men in the service who are stationed on the islands and in Japan and China. I was particularly fortunate in meeting some from my own State. Most of those I met had but one wish in life—to come home.

My colleagues and I asked a lot of questions about demobilization. I know it is a tremendous job—with many heartaches—but the Navy, by and large, is trying hard to do the job well. There has been some regrettable confusion and, in some instances, delays which were particularly galling. But there is plenty of shipping available now and the men are on the move toward home. I expect even greater progress will be shown as the new recruits become available for replacements at the bases and aboard the ships overseas.

The stations where some of the men are serving are particularly distasteful. Some bases are being rolled up and there is little or no activity outside of caring for surplus equipment and stores and making the stations ready for inactivation. Some of the stations are pretty rugged and at some bases the climate is horrible. All these things, added to the fact that the men want to come home, makes it pretty tough and it's no wonder that the men gripe.

Some of the men are depressed because they don't know just why they are occupying particular areas. I found this to be true, particularly among the marines in China. From my conversations with the men I learned that conditions were deplorable when they first arrived. Housing was far from adequate and there was little or no heating. The Jap quarters which the marines took over were filthy and the weather was bitter cold. They have come a long way since then, but these men need some serious consideration.

The men have heard and read about statements of various authorities attempting to explain why the marines are in China. Their job is supposed to be helping China to repatriate the Japs. They are guarding railroads and communication lines and many of them wonder if they are destined to become a permanent garrison. The letters which they receive from home indicate the same concern is shared by their parents. This frame of mind is not good.

I firmly believe our State Department should make a forthright statement outlining our policy in Asia. I have met many who are convinced that we are definitely committed to intervention in China. I have met just as many who are convinced that we have no clear-cut policy of any kind relative to the Far East. This is an unhealthy situation. Our policy in China and in the Pacific islands is interwoven with our policy toward all Asia. It needs to be honest and clearly set out. The servicemen and the folks waiting for them at home are entitled to know what that policy is, and I believe it is now possible to set a date for the withdrawal of all the marines from China. If such a move is made I know the marines there will feel a new lift. They will then become enthusiastic ambassadors of the United States. As it is now—they certainly aren't selling America to anyone. They are discontented. They are discouraged.

I think our State Department, on many occasions, has been altogether too bashful about setting forth our position. I appreciate and admire the efforts to promote harmony among various nations, but, I don't believe in harmony at any price. I can understand that a lot of give and take is necessary in international relations, but I think we ought to stop concentrating on the give for just a little while and pay some attention to the taking part of the bargain.

China impresses me as a potential market for just about everything that the United States can produce. The struggles which these brave people have borne for so long have brought them to the brink of destitution. They need just about everything. An enlightened American policy toward the people of China will enable both peoples to reap great reward for many years.

One of the biggest problems we found is that involving surplus property. I can't begin to tell you the impression I received when I saw acres and acres covered with equipment and material of all kinds. Naturally, we were concerned primarily with naval property, but the Army has a similar problem with which it is wrestling.

Because our military leaders could not afford to contemplate the capitulation of Japan short of invasion of their homeland, it was necessary to lay up vast stores of material of all kinds. Just about the biggest job the Navy has now is taking care of all these supplies.

Warehouses have been built and requisitioned. Great efforts have been made by the men at the various stations to get as much as possible under cover. However, it is impossible to protect all of it.

The climatic conditions on many of the islands are such that a great deal of this surplus property is deteriorating rapidly.

I have talked the matter over with my colleagues and it is our intention to suggest some definite policy in connection with the disposition of this property. Much of it can be returned to the United States for disposal but to undertake to return all this equipment would be, I am convinced, a very costly operation and one almost certainly destined to be wasteful.

I might add—in anticipation of future construction work at some of the bases which we propose to develop to the maximum degree possible—the Navy is setting aside, under proper protective arrangements, a great deal of equipment and parts which can be

used by contractors. This will result in a considerable saving to the Government.

The devastation and destruction of the villages and cities over which the war rolled defies belief. I can't begin to describe to you the conditions which we saw.

Although I had read of the great bombing raids on Tokyo and other Japanese cities—I was not prepared for the sights which met us on our arrival in Japan. General MacArthur and his staff and the men serving under his command have worked wonders, but there is still a great deal to be done.

The plight of Manila is very sad. Once a most beautiful city; it now lies in almost complete ruin. Bravely the people of the city carry on, and on every hand there is the evidence of the struggles of men and women to erect homes and chapels out of the wreckage that lies all about. The Philippines are receiving considerable help from our armed forces, but I fear they will need a great deal more substantial assistance before they will have even started on the road to recovery. All through the islands the situation is the same.

I have learned a great deal on this assignment of the Naval Affairs Committee of the House of Representatives. I wish it were possible for all Members of Congress to cover the same ground. I wish many of our civic leaders could see this vast area. I am sure it would be good for the country.

It is an area which presents great opportunities—but it also presents grave responsibilities. These we cannot avoid—even if we would.

Care of Disabled Veterans

EXTENSION OF REMARKS

OF

HON. ROBERT HALE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. HALE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

PORTLAND, MAINE, February 20, 1946.

HON. ROBERT HALE,
House Office Building,
Washington, D. C.

DEAR SIR: The national commander of the American Legion, Dr. John Stelle, continues to criticize Gen. Omar Bradley, the present head of the Veterans' Administration for defending the very policy upon which the Veterans' Administration was established, namely, the giving of medical care to the war wounded and disabled.

General Bradley has now been Director of the Veterans' Administration for 6 months, during a very difficult period. He was appointed last August when the Veterans' Administration was in a bad mess. He was put in because the "antiquated and inefficient" methods of the Veterans' Administration needed to be changed. He came into a new job at a time when the returning soldiers were flooding the Veterans' Administration with a stupendous amount of work. Moreover, during the war, the Veterans' Administration had a depleted staff. Most of the doctors in it had left for service in the Army and Navy, as well as civilian help. Many of the demands made upon it were completely unreasonable.

General Bradley has rightly requested that the hospital admission be restricted to service-disabled cases. This restriction was suggested in an effort to relieve much of the present overcrowding. There is a 90,000-patient bed load and two-thirds of these are non-service-connected cases. General Bradley is reported to have questioned the whole

of the men I have the honor to command. My sole effort has been to provide victorious soldiers who can serve their country and defeat the enemy with the minimum loss to themselves.

With appreciation of and thanks for your interest, I am

Your truly,

GEORGE S. PATTON, Jr.

HEADQUARTERS, FIFTEENTH
UNITED STATES ARMY, OFFICE OF
THE COMMANDING GENERAL, APO 408,
November 21, 1945.

Mr. Jos. A. Wilner,
Washington, D. C.

DEAR MR. WILNER: Replying to your letter of November 6, please accept my thanks for the interesting clippings enclosed and also for your kind remarks. I am sure that your interest in the matter has been amply justified by the results obtained.

Truly yours,

G. S. PATTON, Jr., General.

DECEMBER 12, 1945.

Gen. GEORGE S. PATTON, Jr.,
Heidelberg Hospital, Germany:

In common with all Americans shocked and grieved by your misfortune. Our congregation Adas Israel is offering prayers for your early recovery.

JOSEPH A. WILNER.

The British Loan

EXTENSION OF REMARKS OF

HON. BROOKS HAYS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 29, 1946

Mr. HAYS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Arkansas Democrat, Little Rock, Ark., of December 16, 1945:

THAT LOAN TO BRITAIN

You'll be hearing agonized yelps about our \$4,400,000,000 loan to Britain. It must be approved by Congress, and all the vote-seeking foes of the administration will have a noble chance to sound off.

You know the tune they'll hit. The administration is squandering our substance. It's flinging the taxpayer's hard-earned money to a foreign nation. We'll never get it back. The unpaid loans of World War I will be reviewed with tremolo vocal effects and oratorical antics. There'll be touching references to the needs of our own people. The flag will be waved and resounding statements made about home and mother and the iniquity of plastering a mortgage on tots in the cradles.

Well, that's politics. Free government everywhere has its circusy aspect, and most healthy people like it. Life must be a dreary business in countries where government is just a dull routine of power doing as it likes, with no political plays and counter-plays, no rousing appeals to the people.

Apparently, the British House of Commons had its grandstand act in the course of approving the loan provisions. There were 2 days of debate, with the Conservative minority heckling the Laborites who are responsible for the terms of the loan. And Commons wasn't deciding on lending money—only on accepting it.

But this is one case where the borrower had much of the trading advantage on his side. The loan is vital to Britain, true enough. Yet it is also important to us that we make it.

For without this credit, Britain would have to embark on a fight for world trade by every device she could invent. Only so could she live. She would have to tighten relations with all parts of her empire and with her neighbor countries in northwest Europe, building up a trade bloc with preferential tariffs and quotas and any other means available.

We would be virtually shut out of that large market. We would have to battle that set-up, with its wealth of raw materials and its manufacturing skills, for trade in South America and every outlying corner of the world.

It would be sheer stupidity to force such a course on Britain. The cost to us in trade would eventually be far greater than the amount of the loan, even if it's never repaid.

More than that, Britain must be strong if there is to be a balanced world, with any prospect for peace. She is our natural ally, and a feeble, impoverished Britain during the years it would take her to recover unaided, would weaken our own position.

This loan isn't an act of charity. It's just good sense.

The British Loan

EXTENSION OF REMARKS OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. GILLIE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I would like to include the following article by Clifford B. Ward, editor of the Fort Wayne (Ind.) News-Sentinel, concerning the proposed loan to Great Britain:

GOOD EVENING

(By Clifford B. Ward)

FEBRUARY 27, 1946.

DEAR MEMBER OF CONGRESS: If I were in your position as a Member of the Congress of the United States, I would vote against the so-called loan to Great Britain, for the following reasons:

1. It isn't a loan, but a gift. The English themselves prefer that it be so regarded.

2. Opposition to the loan in England is for the purpose of making those Americans, who are not too bright, believe that we have put over a sharp Yankee deal on the English, which, of course, is not true.

3. If we lend the English, the three billion, seven hundred million which they are asking, we agree as a part of the deal to cancel the two billion, three hundred and thirty-one millions still due to us on England's World War I debt and also reduce the twenty-five billions which England owes us on the World War II lease-lend account to a figure in between fifty millions and seven hundred and fifty millions.

4. There is no provision for amortizing the principal of the new debt and no interest will be payable unless Great Britain has an export trade for more than 5 years which averages above its export trade for the years 1936-38 which is improbable. If this happens England will pay interest at the rate of 2 percent a year, but only if it happens. When the trade drops again, the interest payments stop.

5. If we make this cash-on-the-barrel head loan to England, forgiving all her World War I debt and canceling nearly all of its World War II lease-lend account, we set a precedent which we must follow in dealing with every other nation wishing a loan and owing us money. We must loan Russia the billions it is requesting while also canceling its debt.

Then we must do the same for France and any other nation that puts the bee on us, else we will dangerously discriminate between nations.

6. The money which we are being asked to lend can only come from Americans who already hold nearly three hundred billions of dollars worth of I O U's from their own Government. With each loan that we now make, we will lessen the value of every one of our Government securities outstanding. Every investor in United States securities will take a loss as a result of the additional loans.

7. But while we are making these loans so called to other nations at no interest, we are going to force our taxpayers to pay 2½ percent on them. Yet only a few years ago our Government said that one-third of our people were in need. Granting that this was an exaggeration for political purposes, the fact remains that few average Americans are in a position to give several hundred dollars apiece to the people of other countries.

8. The presumption is that we are a solvent country, but there is no one who knows whether we are solvent or insolvent as a Nation. There has been no balance sheet run off on our national resources and liabilities. Until such a balance sheet is struck off, we should make no more loans.

9. Granting that England and other countries need dollars, let's ask them what they have to sell. These countries all have tremendous assets by way of raw materials, land, military bases, etc. Let them sell us some of these things which we need and for which we are willing to pay.

10. The economic hope of the world is the United States, but that hope cannot be realized unless we keep on an even economic keel. We as a Nation do not exist merely to dissipate our wealth for the benefit of the rest of the world.

11. I am interested in what happens in the rest of the world, but I am primarily interested in what happens to us.

The Housing Bill

EXTENSION OF REMARKS OF

HON. JAY LeFEVRE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. LEFEVRE. Mr. Speaker, there seems to be more confusion over the so-called Patman bill than on any legislation coming before the House in a long time. After all is said and done, the great majority seem to place the present lack of building materials right in the lap of OPA. Extension of price control in the housing field, as proposed by this bill, would appear to be unworkable and further prevent the recovery of private enterprise in housing. Price control in the lumber industry is not new. The experience over the past 4 years has brought out the unrealistic policies of OPA and accounts for the present lack of production. The statements from the Office of Price Administration that their policies are not hampering the production of lumber, are absurd. Evidence from practical lumber manufacturers all over the country is absolutely contrary and this evidence comes from men who make lumber and not from those philosophizing about it. Mills are closing down because of the inadequacy of ceiling prices.

Let us get down to brass tacks. Low cost houses, costing around \$5,000, re-

quire about 8,000 feet of lumber. Suppose this lumber averages in cost \$90 per 1,000 feet to the consumer, and I believe I am very fair in this figure, the lumber bill would be \$720. Now suppose to get adequate production it would require an increase in ceiling prices of 10 percent—and I do not believe this would be necessary—the increase in cost to the consumer would be \$72. Now would not that be better than the present black market proceedings? OPA has announced a few increases in the South, the western mills, and flooring mills. The story is that again the retail dealers are to be asked to absorb these increases. I believe the retail dealers have absorbed all they can afford. I sincerely hope the amendment which Mr. BUFFETT announced he would offer will be adopted. After fixing the amount necessary to get production, that amount will be passed along to the ultimate consumer and distribution would go through the regular channels. This would discourage illegitimate black market dealers and there would be no discrimination between the retail dealers and the manufacturers.

I also would like to see another amendment adopted and added to the Wolcott bill—an amendment, which I understand will be offered, granting every possible priority for channeling all necessary building materials for the veteran's own home, or for his own business, or his farm buildings. After such requirements are filled, the producer or manufacturer of said building materials shall have the right to dispose of any surpluses through the regular distribution channels, for further building purposes.

This country needs housing for its veterans. First, let us smash the bottleneck and by law so change the present law so as to require some real workable policies, realistic and flexible enough to meet conditions and get production.

Civil-Service Appointments

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and memorandum received by me from the President of the Civil Service Commission:

UNITED STATES CIVIL
SERVICE COMMISSION,
Washington D. C., February 27, 1946.
Hon. JOHN W. McCORMACK,
House of Representatives.

DEAR MR. McCORMACK: The President of the United States, on Monday, February 4, 1946, signed Executive Order No. 9691 "directing the Civil Service Commission to resume operations under the Civil Service rules, and authorizing the adoption of special regulations during the transitional period."

As the signing of this order and the issuance by the Civil Service Commission of regulations to carry out the provisions of the order relate directly to the problems of those seeking employment in the Federal Govern-

ment, as well as the problems of those who are now employed in the Departments and agencies under war-service appointments, we thought that it might be helpful to you if we gave you a brief summary of the new program.

The Executive order is, in effect, a directive to the Civil Service Commission to begin operations at once for holding examinations for regular civil-service appointments.

As you know, since March 16, 1942, all appointments in the Departments and agencies, with the exception of the field service of the Post Office Department, and since October 23, 1943, all appointments in the field service of the Post Office Department, have been for a period not to exceed the duration of the war and 6 months thereafter. The primary reason for making provision for these war-service appointments was to make sure that positions in the Federal service would not be filled on a permanent basis while millions of our fellow citizens were serving in the armed forces.

As a result, the Civil Service Commission does not have today any lists for regular civil-service appointments. It must start from the beginning in compiling such lists. Such a start will be made within the next few weeks. As we announce examinations for regular civil-service appointments, we will, as has been the case in the past, inform your office of these announcements.

During the period that we do not have lists for regular civil-service appointments, the departments and agencies under the provisions of the Executive order are authorized to make purely temporary appointments pending the establishment of our new lists. This is in accordance with the practice which has been followed since the civil-service system was first brought into existence in 1883.

In making these temporary appointments, however, the departments and agencies must give preference first to disabled veterans, second to nondisabled veterans, and third to former Federal workers. They must also conform to the qualifications standards for the various jobs in the Federal service as issued by the Civil Service Commission.

Persons interested in securing these temporary appointments may be referred direct to the departments and agencies where persons with their particular qualifications are being hired. If your office is not informed where persons with particular qualifications are being hired, applicants may be referred to the Civil Service Commission, or to one of the regional offices, where they will be given all available information.

The President's Executive order also sets forth the policy to be followed in determining the future status of persons now serving under a war-service appointment. Such persons, if they have any hope of continuing to serve in the Federal Government, must file for the regular civil-service examinations when they are announced for the types of positions now occupied by them. If they fail to pass these examinations when they are announced, they will be replaced by persons from the top of the regular civil-service lists. Many of the persons at the top of these lists will, of course, be veterans, in accordance with the provisions of the Veterans Preference Act of 1944.

War-service appointees who take and pass the regular civil-service examination will, in many instances, be certified for a regular civil-service status provided, of course, that all veterans who have superior rights under the Veterans Preference Act of 1944 are taken care of first. The Civil Service Commission and its regional offices, as well as personnel offices of the various departments and agencies are prepared to explain the conditions under which a status is acquired. Thinking, however, that you might, from time to time, receive inquiries from interested persons concerning this and other questions, we are inclosing with this letter a memorandum which you may desire to use in replying to correspondence.

The Civil Service Commission is fully aware of the heavy work load in all offices of Members of Congress growing out of the human problems which are the direct result of the transition period from war to peace. To the extent that these problems affect civil-service applicants and employees of the Federal Government, we want to assure you that we stand ready to assist you in every possible manner in dealing with these problems.

If you have any questions relative to the matters set forth in this letter, or any other matters over which the Commission has jurisdiction, please feel free to communicate with us.

Very sincerely yours,
HARRY B. MITCHELL,
President.

CHANGES UNDER EXECUTIVE ORDER 9691

1. Regular civil-service appointments to be resumed: As directed by Executive Order 9691 of February 4, 1946, the Civil Service Commission has begun operations for holding civil-service examinations for regular appointments. It will not be possible to announce all the examinations at once for the hundreds of types of positions that exist in the Federal service. Some of the examinations will be announced in the near future; others later.

2. Establishment of eligible lists: The eligible lists resulting from these examinations will be set up in the order determined by eligibles' numerical ratings modified by such factors as veteran preference and by the State apportionment in filling positions in Washington, D. C.

3. How war-service employees may acquire a civil-service status: If a war-service appointee takes and passes the examination, he may receive a regular civil-service appointment in one of the following ways:

(a) If he receives a high enough grade so that under the regular certification provisions the Commission reaches his name in the course of filling requisitions for personnel, he will be certified to the agency in which he is employed for a regular civil-service appointment.

(b) If, under the regular certification provisions, the lowest rating reached by the Commission on the list on which his name appears does not exceed his rating by more than five points, he may, upon recommendation of the department or agency in which he is now working, be given a regular civil-service status provided all veterans ahead of him have either been appointed or have received the consideration to which they are entitled under the Veterans Preference Act of 1944. This means, for example, that if, in connection with supplying names to departments, the Commission has reached the grade of 89 on an appropriate civil-service list any nonveteran war-service appointee who has received a grade of 84 or more on such list may be given a regular civil-service status provided that all veterans above him have been appointed or have been given the consideration to which they are entitled under the Veterans Preference Act of 1944.

In order to receive a regular civil-service status under the second plan, as in (b), the person holding a war-service appointment must have served for at least 1 year. In determining whether his service has been for this length of time, military service will be counted if he left the position to enter military service.

4. Temporary appointments authorized until probational appointments can be made: Until the civil-service examinations have been held for probational appointments, and the eligible lists have been established, Federal agencies have been authorized to fill their vacancies through temporary appointment. Agencies will receive applications for temporary appointment, determine the applicants' qualifications (in accordance with the Commission's standards), and will make

Only recently we were advised that the earliest delivery of aluminum which we could expect was 48 weeks, which comes dangerously close to being a year.

4. Finally, the shortage of steel sheet is so critical that in addition to leasing the aluminum plants we are also studying available DPC steel plants. At South Chicago, for example, there is a Government-owned, war-built \$93,000,000 steel plant for which competitive bids are to be received April 1 by the War Assets Corporation. We are investigating this plant, with the thought in mind that there may be ample floor space to increase its facilities and to install a strip mill for the rolling of steel sheets. If our studies show it is economically sound, we will be among the bidders making a proposal to the War Assets Corporation.

In our opinion, the consumer demand for products requiring sheet steel is so great that it will require the operation, for at least 3 years, of all of the steel capacity of the United States, including the additional capacity installed during the war. Again I say, the only way to reduce government controls is to use all of our existing facilities for production, and to build, where necessary, new facilities to give us increased production and meet the demand. Congress has already done its part in providing the Surplus Property Administrator with ample authority to make these plants quickly available to industry, after a check by the Attorney General to insure they are so allocated that competition is encouraged.

I have thus spoken from experience because I do not wish to generalize. In facing the actualities of inadequate supply, we have learned that price control is vital to the health of our country through this emergency, and that inflation will finally be brought into balance by production. It is now altogether clear that the Office of Stabilization is necessary at this critical juncture in order to protect buyers, sellers, and the public both as to pricing and as to allocation; for these two are kindred necessities in a market where demand so far exceeds supply. In this transition period from war to peace, when the barrel holds so much less than the customers want, the customers will either fight for it or overbid for it. When industry produces enough barrels full of the things that people want, then we won't need allocation and price control.

The National Association of Manufacturers has recently taken full-page advertisements in the Nation's press to urge the abandonment of OPA. In this campaign, NAM has given no indication of how this procedure would remedy the present emergency. I cannot believe that this is the unanimous verdict of its members. Outside of NAM there are thousands of manufacturers whose opinions are certainly not represented in NAM's advertisements. I know that the NAM has not approached us for our viewpoint. The vast majority of American businessmen in trade and production, who are not members of NAM, are a force to be reckoned with, and should be heard.

With this knowledge, it appears to me that the NAM—before taking a position in which it presumes to represent American industry—should make a poll and furnish this committee with its results. In preparing a questionnaire for such a poll of American industry, the facts for and against inflation should be presented. If NAM prefers to poll only its own members, we may hope that it will make some attempt to find out what the employees of its members are thinking, because, after all, it is the people who will have to pay the price for inflation.

I notice a tendency today to use the phrase "the little man." I presume this means the plain citizen whose voice is too seldom heard. If this is a proper definition, "the little man" is industry's biggest customer. He is the one who needs protection. The savings of the worker, the widow, and the dependent would suffer most if we permit the United

States to stage a general auction in which the price of everything will be bid up until only the few can satisfy their needs. America's huge financial reserves, born of war and represented by the earnings and savings of our people, must now have that fair and equitable protection which is afforded by agencies such as the OPA and the Office of Stabilization.

One look back into history should be enough to convince us that we must not open the road to uncontrolled inflation. We had the experience—after the abandonment of price control—of the soaring boom of 1919. And we had the experience of a total bust in 1920. Does experience teach us nothing?

There is no more brilliant chapter in the history of American economics than the story of price controls throughout the Second World War. The necessity for those controls will not be past until full production has been achieved. There is, as yet, no convincing argument that full production must await removal of price controls. The answer would be an inflation of disastrous proportions, in the financial markets, the commodity markets, and throughout the whole field of production and distribution, and, as always, laying its heaviest toll on those who are the least able to bear it.

In concluding this statement, the committee should understand that I do not believe that the OPA is perfect—there is no such thing as perfection anywhere. It is easy to criticize, easy to say what should have been done, or what should be done, as one watches from the sideline. It is a real responsibility, however, to initiate a program such as the OPA, to coordinate it, to guide it, and to keep it free from those who may unwittingly hurt it with criticism. This is not a time when we need criticism. We need to work together for the common good, which is increased production. The OPA needs help from everyone—from Congress, from the people—and we must all join in the use of this agency, and make it stronger by giving it our confidence.

Expansion of the Marine Corps

EXTENSION OF REMARKS

OF

HON. HERMAN P. KOPPLEMANN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. KOPPLEMAN. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to insert copy of my radio address which I made February 27 over Station WDRC, Hartford, with regard to H. R. 5331, which I introduced on February 1, to expand the Marine Corps for occupation duty, and replacements:

This evening I would like to discuss a bill which I introduced in the House a few weeks ago regarding the expansion of the Marine Corps. Senator McMAHON introduced the companion bill in the Senate. Before introducing the bill both of us consulted with Government officials, especially Marine Corps officers of top rank, and with private citizens, among whom was Thomas Beck, of Wilton, Conn. All of us are deeply concerned because GI's and their families are asking why they are not being discharged, now that the fighting is over. Yet, like all responsible American citizens, we recognize the importance of retaining a substantial part of our armed forces for some time to come, and that we have an important job to do in the occupation of countries in Europe and Asia until conditions are more nearly normal.

Our bill is chiefly for the purpose of assigning our occupation responsibilities to the marines. Especially in so-called peacetime, the marines have traditionally been the American occupation force—they are trained for that work—they know when they enlist that their duties will carry them to foreign lands.

The present peacetime strength of the Marine Corps is 100,000. Its top wartime strength was under one-half million. Our bill would expand the corps, through volunteer only, to 700,000. Only for a time, during the war, were draftees permitted to select the Marine Corps. But now all men who enlist in the marines, do so as volunteers in the regular corps, not as reserves. Bear that distinction in mind. There is a difference between the regulars and the reserves whether you are talking about the Army, Navy, or Marines. The regulars enlist for a definite period, peacetime or wartime, to serve as long as their enlistment lasts. The reservists are the millions of men who enlisted or were drafted for the war, to serve as long as the emergency lasts. For instance, they are eligible for discharge on points. The regulars are not.

I have made this explanation because I want to point out emphatically that our bill calls for volunteers in the regular Marine Corps. If our bill passes, it will enable the speedier discharge of the millions of men still in the reserves of the Army, Navy, and marines, who feel that since the fighting has stopped, they are entitled to return home.

The draft law expires on May 15 unless Congress extends it. In order to stop the draft, a tremendous drive has been made for volunteer recruits in all the services. More attractive inducements are offered, but volunteer recruiting has not been as fruitful as we hoped. Consequently, our bill offers not only more attractive housing, educational, and recreational opportunities but also, and this is most important, more pay.

I believe that our failure to reach our recruiting goals is due largely to the inadequacy of the pay we have been offering. Personally, I doubt that a former GI, or one who now anxiously is counting the weeks until he can get home, will care how much money the fellow gets who elects to go over and finish the job.

There is another angle to this pay item. Except in war, when we glorify everyone who wears a uniform, unfortunately we do not look upon the man who joins the Army or Navy with the respect which is due him. We don't give him the incentives to serve his country in military life that we give him in civilian life. The pay is paltry and, hence, capable young men who would benefit from such service, and from whom the country would benefit, look askance at the idea that they join the Regular Army, Navy, or Marine Corps for a period of, say, 2 to 4 years. Any man with ambition is bound to feel that he can do better financially at any other job.

Consequently, for the most part, our peacetime services have drawn into the ranks the fellows who couldn't do better in civilian jobs. And yet, service in the Army or Navy is fully as important to the Nation as service in any other Government branch.

World conditions are far from stable. We ranked high in the councils of war because we not only had the arsenals, we also had manpower. We had all the wherewithal for victory. There are grave questions to be decided before the peace can be written. There are serious differences of opinion between our member allies which we will be called upon to decide. We cannot do as we did in 1920—build a fence around ourselves. The world can be encompassed in a matter of hours. The world can be destroyed in a matter of hours. The fence age belongs to past history.

Until we know what security and protection our Nation can depend upon from the international police force which is provided for in the United Nations Charter, a force yet to be

developed, we cannot willy-nilly withdraw our forces, weaken our protection, curtail our Army and Navy, and say "We will peace, therefore we shall have peace." We thought we could do that once in a less dangerous age. We were wrong.

It may be months, it may be years before we can, with other nations, decide on just what strength our Army and Navy must be, just what share of the world will be ours to police, but until that time, any irresponsible weakening of our strength will spell disaster for ourselves, and surely for our children. We don't know what awaits us, and until we do know, we cannot weaken the foundations of the peace we are attempting to build by destroying our most potent argument—a big stick.

Opinions still differ as to how large our occupation forces must be. Some say 350,000 for the Pacific and 335,000 for Europe, besides those in training.

Our bill does not seek to eliminate the Army and the Navy. Both Senator McMAHON and I feel that fewer men will be required if the big occupation job can be turned over to the marines.

By June 30, all men in the Army with 2 years in service will be eligible for discharge. Many with 2 years of service will be out before that time. Not all, but some of them will have to be replaced. But the question then arises—how many such replacements can be obtained? Selective Service has stopped drafting the fathers. Surely then, all fathers in service should be released. Selective Service has also stopped taking men over 26. Consequently, all men over 26 should be discharged. That limits us to non-fathers between the ages of 18 and 26. That reservoir has been pretty much depleted. I personally doubt that we can obtain enough draftees from that category to replace the men who are entitled to return, which means we must appeal to volunteers.

Of course, as time goes on, our overseas and domestic needs will be smaller. But for some time to come, we will need forces overseas as well as in this country.

We can streamline that occupation job, so far as manpower is concerned, by training men especially for occupation duty. And that is where the Marine Corps comes in, because by training and tradition our marines have always done our occupation job and done it well. There are over 100 instances wherein our marines have served as occupation troops, not necessarily from the standpoint of military occupation, but oftentimes, as right now in China, by invitation of the country to help them recuperate.

Our occupation troops can do a marvelous job of good will. Their conduct will impress the people of the nations where they are stationed—either for good or for bad. The marines have a splendid record for esprit de corps—or, in other words, great team work.

It's not easy for someone like myself to direct young men to give up their careers and delay their planning for their futures by remaining in service. I can well appreciate their natural desire to come home. I can well appreciate the natural incentive which made them do the job superbly while the job they thought necessary had to be done, but now that fighting is over, and since they are really civilians, they want to get back to civilian life.

An alternative must be found. And I think that the bill Senator McMAHON has introduced with me is the answer. The marines have had good reason to boast of their corps d'esprit. They have built it up through 170 years of glorious achievement, during peaceful years and bitter years of fighting. I am not making a brief for them. They have made their own. I am asking the Congress to make it possible for the Marine Corps to expand its ranks, to enlist young men from 18 to 25, single young men with no home ties, to make it worth their while to

give, 2, 3, or 4 years to their country during these critical years during which we must have a force in readiness while we build the foundation for the peace we hope will last for all time.

Our fighting men have done a marvelous job. It is now our duty to permit them to write finis to their job as early as possible. I know the marines will be delighted to take over this added responsibility.

Housing Shortage Must Be Relieved

SPEECH

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing and to insure the availability of real estate for housing purposes at fair and reasonable prices.

Mr. SABATH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, about 11 years ago this House appointed a special committee to investigate the so-called protective bondholders committees which were then operating throughout the country. At that time my colleague the gentleman from Illinois [Mr. DIRKSEN] was a member of that committee. He must recollect the overwhelming evidence with respect to the investment bankers who negotiated the sale of over \$20,000,000,000 in real-estate bonds, and who, when the crash came, succeeded in having their officials or representatives appointed as members of the protective bondholders committees, whereupon they obtained powers of attorney from the bondholders and assumed complete control of thousands of apartment buildings. Then followed the appointment of members of these investment banking concerns, or their agents, as receivers and trustees and, as such, in control of these buildings, other agents or representatives of the self-same investment banking concerns acquired the bonds on the buildings at 5 cents, 8 cents to 12 cents on the dollar. Excessive fees were levied against these properties for the services of the trustees and receivers and for their attorneys; with high management and other charges added current income was dissipated and taxes could not be paid, all to the ultimate loss of the distressed bondholders.

REMEDIAL LEGISLATION EMASCULATED

After 2 years of exhaustive investigation by the committee on real estate bondholders reorganizations and the submission of its report to the House recommending remedial legislation, the Committee on the Judiciary reported a bill which proposed to protect and safeguard the interest of the bondholders by providing for the appointment of Federal receivers to have supervision of the bonds on all buildings for whom the courts had authorized the appointment

of protective bondholders committees. While the bill passed the House it, unfortunately, was emasculated by amendments in the other body and only a few of the protective provisions were in the bill when it finally was enacted. These provisions to some degree prevented a repetition of certain unethical practices of some of the bondholders committees and the trustees and receivers, and resulted in the saving of some buildings to the bondholders; but, in the main, most of the buildings remained in the clutches of the agents of the investment bankers and manipulators, and their friends in dummy organizations.

Not only that these unscrupulous groups had acquired the bonds at a few cents on the dollar by means of the power of attorney which they had obtained by misrepresentation and which power they abused; but they sold many of these apartment buildings, hotels, office buildings, ecetera, to their heachmen, their representatives, and to cliques which they organized. The opposition today to the pending bill comes from the representatives of the owners of the properties which I have described that were bought for a song, of which the bondholders were robbed, and it is they who are behind the outrageous lobby and propaganda that has been going on to remove the ceiling on rentals, because the fewer homes built the greater will be the profits and incomes derived from these illegally acquired buildings.

POWERFUL LOBBY OPPOSES BILL

My colleague the gentleman from Illinois [Mr. DIRKSEN] is aware of the situation and what transpired, and must concede that what I have stated is beyond successful contradiction. The selfish groups opposing the bill are not interested that homes be built for the discharged veterans and the returning servicemen who are unable to find homes to live in, or in the hundreds of thousands of other Americans who are in like position.

This lobby, which has been referred to by the majority leader, is one of the worst I have ever observed in the Capitol and he is fully justified in his statement.

Mr. Chairman, being familiar with the existing conditions in 1941 and viewing the approaching shortage of homes in the District of Columbia, and feeling that it would be impossible to provide living accommodations for the many thousands of needed Government employees and that there was then an existing shortage of homes and quarters for those employed in offices here, I introduced a resolution to relieve the situation. It provided for the decentralization or removal of bureaus and divisions of the departments and other Government agencies to other cities where plenty of homes, apartments, and office space was available. At that time there were some Members, as there are today, who ridiculed the proposal. Despite this I laid the matter before the President, and pointed out the seriousness of the situation and that it was absolutely necessary that something be done to remedy it. Whereupon the President, by Executive order, directed the decentralization and transfer of certain divisions and bureaus of depart-

ments and some agencies to Chicago and other cities.

HOUSING SHORTAGE IS REAL

During the war all materials and labor was allocated to the production of urgently needed war supplies and to construction of barracks, camps, and so forth. While we were able to provide housing for war workers, we were unable to provide housing for other civilians or for the returning servicemen. In this connection many of you recall my fight in 1942 or 1943 for an additional \$800,000,000 appropriation for home construction. Had that appropriation been made I know the housing situation would not be as alarming as it is today. You gentlemen all concede that there is a great housing shortage. However, some of you are opposed to the bill which aims to relieve that shortage. For what reasons, may I ask? I cannot help but feel that you are being influenced by this unholy alliance between the real-estate operators and manipulators and the various manufacturing and commercial boards who for selfish reasons urge you to vote against the bill and thereby deny to veterans the same aid in obtaining homes as was provided for the war workers. The various manufacturers and suppliers who control the material required for home construction do not want to be restricted by price ceilings, and it is apparent that some Members are willing to vote for the bill if all price restrictions are removed at the expense of the returning veterans and to enable the manufacturers and suppliers to obtain a still greater profit in the sale of materials that go into the construction of homes. I have stated on the floor and have advocated for many months that priority should be extended on all building materials and that the construction of homes should have first call on labor. It is not that I am opposed to builders, dealers, and real-estate owners making a profit; but I am against depriving 2,000,000 veterans and returning servicemen and homeless citizens of the opportunity of obtaining homes for their families. The imperative need for the passage of this legislation is evidenced by a press report which I just read that gives an account of conditions in Frederick, Md., and surrounding counties where the cost of homes has advanced 58 percent in the past 6 months. This report indicates that, if ceilings on materials are removed and no limitation placed on the construction of new homes, prices would go sky-high.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I am sorry, I cannot yield.

Mr. HOFFMAN. I want to pay the gentleman a compliment on his foresight. Will the gentleman yield? It is a compliment.

Mr. SABATH. No; I appreciate what my colleague has said, but I want to bring some information to the House.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SABATH. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. I repeat, we all realize a shortage of housing exists. That is an undisputed fact. My colleague the gentleman from Illinois [Mr. DIRKSEN] has cited men who served in both the First and Second World Wars who, he states, are opposed to some of the provisions of this bill; and they, he has suggested, would be interested only in the welfare of ex-servicemen. My colleague's correspondents do not, perhaps, have the gentleman's same high ethical standards. I fear they are swayed by self-interest; or perhaps they have been misled by the tons of propaganda poured out by the real-estate and construction lobby. Or perhaps the Republican leadership is playing its usual game of extracting every possible political advantage from any given situation. If, by winning some democratic votes, this bill can be defeated or weakened so that it cannot be effective in solving the urgent housing problems, the Republicans will say, and rightly, that the Democrats had a majority in the House; and if they are taxed with their own opposition they will intimate that the bill was opposed by veterans' organizations. This bill should not be used for political advantage. The need and the urgency are too great. I am confident that the vast majority of veterans favor the enactment of this legislation. They want homes, now, at prices they can pay.

NOTWITHSTANDING THE OPPOSITION OF THE GENTLEMAN FROM MISSISSIPPI

The gentleman from Mississippi [Mr. RANKIN] has moved to strike out the enacting clause. This would kill the bill. If the gentleman's motion prevails, the exserviceman would have to abandon all hope of obtaining the home which he needs and is entitled to. He served his country; but his country would show that it refuses to serve him. It is difficult for me to understand the motives which underlie the gentleman's efforts to kill this bill. I have in my possession hundreds of letters and telegrams from veterans, from their organizations, from their families, and from just ordinary Americans, pleading for and urging the enactment of this legislation. Do you not recognize the need for more homes? Are you more interested in selfish builders and real estate operators than in the veterans and homeless citizens? Please do not be led astray by this insidious propaganda which has been filling your mail in the form of telegrams, circulars, brochures, letters, petitions, and resolutions. That is mass production of one of the most intelligent, skilled, and heavily financed lobbies this national capitol has ever seen. That lobby is not of just one industry or one business. It is an integrated and interrelated grouping of many Nation-wide interests, none of them in business for pleasure, skillfully organized and thoroughly regimented. This mass pressure is set off almost as easily as pressing an electric light switch when the time comes to set the combined forces in motion.

INFLATION THREATENS

Mr. Chairman, if steps are not taken immediately to provide for priorities on building materials, as contemplated in the provisions of this bill, it will not reflect credit upon this House. The industry's own figures show that material now is going into the high-priced business and industrial building, not into housing. Our new and energetic Housing Expediter, Mr. Wilson Wyatt, has recommended urgently the authority for imposing preferential priority ratings for home construction; the building of homes cannot begin until those priorities are established, for at the present time the materials are being used in high-priced and nonresidential building. There are those of us who have an interest in our discharged veterans, and in our returning servicemen, and we have an interest in our country and in the people of our country. We feel strongly that the people of this country are entitled to decent homes; and we do not believe that they can get decent homes under present conditions without aid from the Congress.

This bill has received long, careful, and thoughtful consideration from the great Committee on Banking and Currency. It embodies recommendations of the Housing Expediter, who was appointed by, and has the full support of, the President. If we are honest and sincere in saying we want to help get homes for the people, and in warding off disastrous inflation, then we feel it is our duty to pass this bill. If we fail in that duty, we are inviting the wild and dangerous inflation that followed the First World War and ended in world economic collapse in the late 1920's under the inept Republican administration. We do not want that; but when people are out-bidding each other for a place to live, we are going to have it.

Mr. Chairman, I cannot conclude without saying this: It has been my privilege to meet Wilson Wyatt, who has been appointed by the President to expedite and coordinate the efforts to provide construction of homes in this acute emergency. In all candor, I want to say that I have met many capable, honest, and sincere men; but I have never met a man possessing more constructive ability and determination to serve the Nation than Mr. Wyatt. I know if you would meet him personally you would recognize his great ability and his earnest desire to serve our country. You would agree with me that in his able hands this program, for which I hope you will vote, will be managed economically and effectively so that the best interests of our country will be served, and homes will be built for the homeless thousands of veterans and citizens who are clamoring for a place to live; who roam the streets and highways of our Nation looking for a home they can call their own.

Mr. Chairman, it is my hope that all the provisions in this bill will be favorably considered, and that early action will be had in the Senate to enable Mr. Wyatt to initiate his program at the earliest possible moment in order to relieve the state of acute emergency that now exists.

The Taxicab "Army"

EXTENSION OF REMARKS
OF

HON. WILLIAM A. ROWAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. ROWAN. Mr. Speaker, I submit the following editorial from the February 23, 1946, issue of the Evening Star of Washington, D. C.:

THE TAXICAB "ARMY"

Granting that citizens have the constitutional right peaceably to petition Congress respecting their grievances, it is not clear what the "invasion" of Washington by a Chicago taxicab "task force" of 150 cabs and their drivers is expected to accomplish. The grievances voiced by leaders of the "army" have to do with alleged injustices done them by the city of Chicago. More specifically, the protesting drivers, most of them war veterans, are complaining about a Chicago ordinance limiting to 3,000 the number of taxicabs licensed to operate there. That would seem to be a strictly local matter which does not concern Congress or the Federal Government, yet the drivers apparently have vague hopes of obtaining Federal intervention through some sort of legislative action or Department of Justice proceedings under the antitrust laws.

Washington, with painful memories of other veterans' marches after the First World War, is gratified that the uninvited delegation has conducted its invasion in orderly fashion. It is disturbing to local officials and residents, however, to learn that the group is making no plans for early departure, despite the fact that its members are running out of funds and have begun to appeal for financial aid. The city already has assisted the "army" in finding a bivouac, although it must be admitted that in turning over Camp Simms to the visitors the Commissioners were not only accommodating the drivers but relieving Washington's already congested streets of added parking burdens.

One danger of this type of demonstration is that it has a tendency to induce other groups of petitioners to adopt similar methods of focusing public attention on their problems. The march on Washington in 1932 by veterans demanding bonus legislation began in a small way in May of that year, when the first small groups of veterans arrived from the Midwest. The early arrivals were orderly and were extended every possible courtesy by the police. The movement grew by leaps and bounds in June and July, however, with radical elements taking an increasing interest in the demonstration. Disorder followed disorder until the climax on July 28, when two resisting veterans were shot fatally by police and troops were called out to evict the "bonus army" from its Anacostia camp.

It is interesting to recall that in his report on the origin of the disorders, Attorney General William D. Mitchell told the President: "This experience demonstrates that it is intolerable that organized bodies of men having a grievance or demand upon the Government should be allowed to encamp in the city and attempt to live off the community like soldiers billeted in an enemy country. Attempts by such groups to intimidate or coerce Congress into granting their demands hurt rather than help their cause." The Chicago taxicab "army" fortunately cannot fairly be said to fall into the category of offenders that the Attorney General had in mind. But there is always the possibility that demonstrations of this kind will lead to other marches by less orderly groups.

Disabled American Veterans' Day

EXTENSION OF REMARKS
OF

HON. JAMES DOMENGEAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. DOMENGEAUX. Mr. Speaker, I am today introducing a joint resolution which would establish a just and lasting tribute to that large number of our fellow Americans who offer the greatest evidence of the horrors and aftermath of war.

I propose that the first Sunday in December of each year be set aside throughout our Nation as Disabled American Veterans' Day, in honor of those who have given their health, their youth, and their future in the cause of America and for the sake of a better world for all mankind. The observance date has been selected because of the fact that it was on a Sunday, December 7, 1941, at Pearl Harbor, T. H., that Americans were first called upon during World War II to sacrifice their lives, their limbs and their blood at the hands of militaristic and ruthless aggressors. The victory over those forces that would destroy freedom has been won, but at the cost of a great human toll.

It is most fitting and proper that we set aside a special day in commemoration of the sacrifices of those who have been wounded, gassed, injured, or disabled while serving actively in the defense of our Nation in time of war. In time of peace we are all too likely to overlook the problems that face these men whose jangled nerves, shattered minds, and wrecked bodies bear testimony to their devotion to their country and their willingness to give their all in order that right and justice prevail. There is need that public attention be called periodically to the duty of extending a helping hand to deserving disabled veterans and their dependents, and the dependents of our war dead, and to the preservation and promotion of the rights and benefits to which they are entitled. It is particularly necessary that the war disabled be assured the opportunity of self-sustaining, gainful, and useful employment, supplemented by adequate compensation, medical treatment, hospitalization, and vocational training, justified on the basis of their service-incurred disabilities. It is a privilege and duty that our entire citizenship support all constructive measures deemed to be desirable on behalf of the disabled veterans, their dependents, and the dependents of our war dead.

The measure I am sponsoring authorizes the President of the United States to issue annually a proclamation calling upon officials of the Government to display the American flag on all Government buildings on the first Sunday of each December, and urging the public to observe the occasion in schools, churches, or other suitable places, with appropriate ceremonies.

I hope that Congress will speedily adopt this measure. It is the least we can do for those who have done so much.

Maj. George Fielding Eliot Doubts
Benefits of UnificationEXTENSION OF REMARKS
OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. IZAC. Mr. Speaker, under leave to extend my remarks, I am including an article appearing in the February issue of Sea Power by Maj. George Fielding Eliot, a leading commentator on military and naval affairs for many years. Unaffiliated with any specialized group or interest he has expressed his own opinions in the pages of the Nation's newspapers and magazines, in books, and over the air waves. This article on the subject of the merger of the armed forces is based on testimony which Mr. Eliot gave before a congressional committee recently:

The supporters of the program of unification of the services rest their arguments largely upon conjectural benefits. They believe that the system they propose will produce results beneficial to the national security, and to the armed services which must be the pillars of that security. Presenting these beliefs, they ask that a system which has in fact proved itself an adequate instrument of victory be changed for a system which has, in fact, wherever it has been tried by this Nation or any other, been disastrous in its results. Their conjectures are directly opposed to fact.

It is a fact that, whenever a naval service has been subordinated to a land service, or placed in a position where it could be primarily controlled—as to policy, appropriations, organization, and general direction—by land officers or by an administration in which land officers had a controlling voice, it has deteriorated. This is the universal verdict of history. There are no exceptions.

It is a fact that no nation has been able to develop true air power except when, by one means or another, the development of its air forces has been freed from the control of officers of the land and sea services. This, too, is the universal verdict of history, though the experience we have had with aviation is far shorter than with sea power.

Now the primary purpose of the bill before you is unified control of our armed forces. The bill seeks to introduce the element of one-man decision over all our armed forces at a lower echelon of command than that of the President of the United States. It seeks to compel agreement between them by appointing a single Secretary and a single Chief of Staff who can, at some point in a discussion, say: "That is enough; I have made my decision." When you do that, you commit the future security of the United States to the wisdom of that single decision. You make a mistake against which all experience arises to warn you.

You are gambling the future of this country on the chance that your Secretary of the Armed Forces will always be impartial, uninfluenced, and evenly balanced, and that the Chief of Staff of the Armed Forces, his principal military adviser, will always, as he assumes office, forget all his ties with his own service, and at the same time acquire, by some mysterious heavenly gift, a complete understanding of the needs and nature of the other two services.

It will not happen that way; it has never happened that way.

Let us look at the record of history. From the earliest days of sail, naval warfare has,

Mar.
4

III. Research and staff facilities.

1. Enlargement of Legislative Reference Service. "That the Legislative Reference Service in the Library of Congress be expanded by increasing its appropriation for...1947 to \$500,000, to \$650,000 for...1948, and thereafter to \$750,000 per year..."
2. Relieving members of nonlegislative work load. "That each...office be authorized to employ a high-caliber administrative assistant at...\$8,000!"
3. Establishment of congressional personnel office.
4. Creation of a stenographic pool.

IV. Strengthening fiscal control.

1. Adoption of annual Federal Budget totals. "That by joint action the Revenue and Appropriations Committees of both Houses submit to the Congress within 60 days after each session opens (or by April 15) a concurrent resolution setting over-all Federal receipts and expenditures (estimated) for the coming fiscal year. If total expenditures recommended exceed estimated income, Congress should be required by record vote to authorize creation of additional Federal debt in the amount of the excess. All appropriations, excepting those of a permanent nature, interest on the public debt, veterans' pensions and benefits, trust expenditures, and public-debt retirement, would be reduced by a uniform percentage in case total appropriations exceeded the amount of the approved Budget figure."
2. Organizing and staffing of appropriations committees. "That all appropriation bills be fully and carefully considered by the full Appropriations Committees of both Houses; that the present practice of holding all Appropriations Committee hearings in executive or secret sessions cease; that committee hearings and reports on appropriation bills be laid before the House and Senate a minimum of three legislative days before their floor consideration; that a uniform appropriation classification be devised and incorporated in the hearings; that four qualified staff assistants be assigned to each of the appropriation subcommittees to serve both the majority and minority members; and that modern accounting machinery and equipment be provided for each committee staff."
3. Service audits by GAO. "That the General Accounting Office be directed to submit each year a general service audit of each agency of government (including government corporations), furnishing information to the Congress on the general financial operation of the agency and its care in handling governmental funds."
4. Discontinuance of indefinite appropriations. "That all appropriations be in definite amounts and that the custom of reappropriating unexpended balances be discontinued except for continuing public works; that transfer of funds between agencies and departments be discontinued; and that all regular governmental agencies and departments be placed on a uniform basis of returning to the Treasury income from sales of services."
5. Legislation on appropriation bills. "That the practice of attaching legislation to appropriation bills be discontinued; that the rules be tightened effectively to prevent under the parliamentary guise of "economy limitations" amendments which are, in fact, designed to effect legislative changes; that the Comptroller General survey various limitations on appropriation bills to determine those which require more money to carry out than they save; and that the Appropriations Committees study means for limiting any increase in permanent appropriations."

V. More efficient use of congressional time.

1. Self-rule for D. C.
2. Delegation of private claims. "That Congress delegate authority to the Federal courts and to the Court of Claims to hear and settle claims

against the Federal Government; and that Government agencies and departments be empowered to handle local and private matters now provided for in private bills, such as private pension bills and legislation authorizing construction of bridges over navigable streams."

3. Limitations on sessions. "That Congress provide for a regular recess period at the close of each fiscal year to insure the return of Members to their constituencies at definite intervals each year."
4. Meeting schedules. "That Congress experiment with changing schedules for meetings so as to provide alternately three full days for committee meetings and three full days for Chamber sessions; and that Congress experiment with evening sessions."

VI. Registration of organized groups.

1. Registration of representatives. "That Congress enact legislation providing for the registration of organized groups and their agents who seek to influence legislation and that such registration include quarterly statements of expenditures made for this purpose."

VII. Congressional pay and retirement.

1. Increase in salaries. "That beginning with the Eightieth Congress the annual salary of Members of Congress be increased to \$15,000, and that all of the salary be taxed on the same basis...as business and professional returns."
2. Inclusion of Congress in retirement system.
3. Increase in compensation of officers of Congress.

VIII. Other recommendations.

1. Remodeling of House and Senate chambers.
2. Remodeling of caucus rooms.
3. Improvement of restaurant facilities.
4. Assignment of Capitol police.
5. Facilities and supervision of pages.
6. Improvement of Congressional Record. "That the daily program of the Congress, including the legislative sessions, scheduled committee hearings, and location of these meetings be printed in the Congressional Record; and that a brief resume of the previous day's congressional activities be incorporated in the Record together with an index of its contents."
7. Transfer of records of Congress to Archives.

The committee report states that the committee also considered the seniority rule and the powers of the House Rules Committee but could not agree. The Ke-fauver resolution (question period for department heads) and limitation of Senate debate were outside the scope of the committee's jurisdiction.

HOUSE

2. HOUSING. Continued debate on H. R. 4761, the Patman housing bill (pp. 1891-3, 1900-26). Rejected, 92-161, an amendment by Rep. Monroney, Okla., to provide for housing subsidies (pp. 1914-26). Agreed to an amendment by Rep. Crawford, Mich., to provide specifically for allocation of materials for farm buildings (pp. 1906, 1909). Rep. Rich, Pa., spoke against subsidies on farm products (p. 1910).
3. BUTTER INSPECTION. Passed without amendment H. R. 3611, to authorize this Department to condemn unfit materials to be used in process or renovated butter (pp. 1896-7).
4. CONGRESSIONAL REORGANIZATION. Received the La Follette-Monroney Committee report (see item 1) (p. 1890). (H. Rept. 1675.)

5. ASSISTANT SECRETARIES. Received a letter from the Secretary of Agriculture recommending legislation to establish two additional offices of Assistant Secretaries of Agriculture. To Agriculture Committee. (p. 1928.)
6. ACCOUNTING. Received from the War Department proposed legislation to limit the time within which GAO shall make final settlement of the monthly or quarterly accounts of disbursing officers under the Executive Branch. To Expenditures in the Executive Departments Committee. (p. 1928.)
7. RURAL ELECTRIFICATION. Received a Miss. Legislature resolution recommending that TVA be directed to make available power and service to the rural sections of Lauderdale County through the East Mississippi Rural Electrification Association (p. 1929).
8. GRAZING. Received a Utah Cattle & Horse Growers Association petition recommending consolidation of the grazing functions of the Forest Service and the Grazing Service (p. 1929).
9. INDEPENDENT OFFICES APPROPRIATION BILL. Reps. Hendricks, Mahon, Andrews of Ala., Thomas of Tex., Wigglesworth, Case of S. Dak., and Dwarshak were appointed House conferees on this bill, H. R. 5201 (p. 1890). Senate conferees were appointed Feb. 18.
10. COMMITTEE ASSIGNMENTS. Rep. Granahan resigned from the Civil Service, Claims, and Revision of the Laws Committees (p. 1889).
11. MEAT PACKING. Rep. Rich, Pa., claimed that OPA is hindering the meat packers and inserted a telegram from the Winnter Packing Co. (p. 1891).

BILLS INTRODUCED

12. SELECTIVE SERVICE. H. R. 5653, by Rep. May, Ky., to extend the Selective Training and Service Act for 6 months. To Military Affairs Committee. (p. 1928.)
13. RECLAMATION. H. R. 5654, by Rep. Murdock, Ariz., to provide basic authority for certain Reclamation Bureau functions. To Irrigation and Reclamation Committee. (p. 1928.)
14. SURPLUS PROPERTY. H. R. 5655, by Rep. Rizley, Okla., relating to disposition of surplus property outside the U. S. To Expenditures in the Executive Departments Committee. (p. 1928.)
H. R. 5658, by Rep. Cannon, Fla., to provide for disposition of certain real property in condemnation proceedings to the former owners. To Public Buildings and Grounds Committee. (p. 1929.)
15. CIVIL-SERVICE RETIREMENT. H. R. 5661, by Rep. Peterson, Fla., to amend the Civil Service Retirement Act to provide that the minimum annuity of employees retired for disability shall be \$50 a month. To Civil Service Committee. (p. 1929.)

-6-
ITEMS IN APPENDIX

16. HOUSING. Speech in the House by Rep. Wolcott, Mich., opposing ceiling prices on houses, both old and new (p. All48-9).
Rep. Monroney, Okla., inserted a Baltimore (Md.) Sun editorial (pp. All55-6) and Rep. Woodruff, Mich., inserted a constituent's letter favoring subsidies on building materials (p. All57).
Extension of remarks of Rep. Sabath, Ill., including a Chicago Sun editorial, favoring the Patman housing bill (p. All62).
17. SURPLUS PROPERTY. Speech in the House by Rep. D'Ewart, Mont., criticizing the methods of disposition of surplus Government property (p. All48).
18. FOREIGN RELIEF. Rep. Mason, Ill., inserted a Christian Science Monitor article urging that more wheat be shipped to Poland to prevent starvation there (pp. All74-5).
19. RICE SHORTAGE. Rep. Larcade, Jr., La., inserted a newspaper statement quoting Frank A. Godchaux, Jr. as criticizing the U. S. rice policy and urging that more rice be made available for domestic use (p. All65).
20. ST. LAWRENCE WATERWAY. Extension of remarks of Rep. Pittenger, Minn., including excerpts from Gen. Wilby's (N. Y. Power Authority) testimony before the S. Foreign Relations Committee, favoring this project (pp. All68-71).
Rep. Biemiller, Wis., inserted a report of the Joint Chiefs of Staff listing their reasons for supporting the St. Lawrence waterway (pp. All73-4).
21. FARM PROGRAM. Rep. Cunningham, Iowa, inserted a Story City (Iowa) Herald editorial criticizing the views expressed by Government officials at the Annual Farm Economic Conference (pp. All62-3).
22. PRICE CONTROL. Speech in the House by Rep. Biemiller, Wis., including a Milwaukee County Board of Supervisors' resolution favoring continuation of price control (p. All49).
Rep. Grant, Ind., inserted a Nation's Business article favoring the discontinuance of OPA and citing examples in the prices of clothing, butter, and wool to show that faulty pricing results in shortage and consequently in an even higher price (pp. All50-2).

COMMITTEE HEARINGS RELEASED BY G.P.O.

23. LABOR. S. 1349, to amend the Fair Labor Standards Act of 1938. Parts 1 and 2. Senate Education and Labor Committee.
S. 1661, Labor Fact-finding Boards Act. Senate Education and Labor Com.
24. INDEPENDENT OFFICES APPROPRIATION Bill, 1947, H. R. 5201. Part 2, FCC. Senate Appropriations Committee.
25. FARM CREDIT. H. R. 3422, to create an Agricultural Credit Agency. Part 2. House Agriculture Committee.
26. WATER POLLUTION. H. R. 519, 587, and 4070, for the control of pollution of navigable waters. House Rivers and Harbors Committee.
27. SMALL BUSINESS. Pursuant to S. Res. 28. Part 76, Impact of price controls and stabilization policies on small business. Special Senate Small Business Problems Committee.

PERMISSION TO ADDRESS THE HOUSE

Mr. D'EWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[Mr. D'EWART addressed the House. His remarks appear in the Appendix of today's RECORD.]

CORRECTION OF THE RECORD

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that I may correct the RECORD, on page 1886, where the figure "101,759,997" appears. That figure should read "65,837,556."

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

EXTENSION OF REMARKS

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD in three instances and to include newspaper editorials.

PERMISSION TO ADDRESS THE HOUSE

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

LOCATION OF UNO CAPITAL

Mr. MUNDT. Mr. Speaker, last week the people of Greenwich, Conn., exercising their American rights and their Yankee good judgment decided by a vote of more than 2 to 1 to invite the United Nations Organization to locate its capital elsewhere in the United States rather than in the vicinity of Greenwich and Stamford.

Yesterday, Dr. Stephen Gavrilovic, chairman of the UNO commission on the selection of a capital site, said that in view of the decision of the people of the New York-Connecticut area to resist any attempt to move them out and move the UNO capital in, he was prepared to recommend to the United Nations that they select a more satisfactory site which will conform with one of the most important criteria his committee was asked to bear in mind in selecting a world capital site, namely, "the desire of the community to share its land and resources with the United Nations Organization."

He said, positively, that the UNO capital is not going where it is not wanted. To make his position consistent, he must also mean that the UNO capital is going where it is wanted.

Mr. Speaker, the beautiful Black Hills Mountain country of South Dakota wants the UNO capital, and it has more advantages and fewer disadvantages than any other site available to the United Nations. Not only the people of South Dakota, but the people and the Governors and other officials of South Dakota, Wyoming, and Nebraska again renew their invitation to the United Nations Organization to locate its capital in the Black Hills.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

UNFAIR OPA REGULATIONS

Mr. RICH. Mr. Speaker, I have received the following telegram from Lock Haven, Pa. I quote:

Hon. ROBERT F. RICH,
New House Office Building:

We have closed down our plant, along with hundreds of other packers, in protest to the unfair OPA regulations and the rampant black market which prohibits us from buying livestock upon which we can obtain a fair return. We suggest all steps possible be taken immediately to relieve this condition.
WINNTER PACKING CO.

That is one of the largest packing companies in my county.

The fault, as I see it, is subsidies, OPA, the CIO, and economists. I think what the House wants to do is to get a little more business sense, a little more common sense, and then we will stop receiving telegrams of that nature. Then people who are in business will not have to close up their business. The New Deal is putting people out of business. If that is what this administration wants to do I will say they are successful in their legislation. But the people and the country are suffering; private enterprise is being wrecked.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HOUSING LEGISLATION

Mr. GROSS. Mr. Speaker, yesterday the gentleman from Texas [Mr. PATMAN] greatly belabored himself trying to tell the country about the great lobby that is holding back the housing bill. Now, that lobby is not in Washington. It is Nation-wide resentment against the kind of things they are trying to pull.

Here is a letter I received this morning from a lumber dealer who asked for priorities in order to help a World War widow and her family to build a home.

EXHIBIT 1

SCHMUCK Co.,
Hanover, Pa., March 1, 1946.

Hon. CHESTER H. GROSS,
York, Pa.

DEAR SIR: As another example of the asinine rulings that are being made by some of the Federal regulatory boards, we herewith enclose a letter received from the director of the National Housing Agency in Philadelphia.

This was in reply to an endeavor upon our part to secure priority assistance for the materials needed for the construction of a home for a young widow whose husband was killed in World War II.

This woman has been almost heart broken because of the loss of her husband, and is

now faced with the problem of finding a place to live, as the son of her present landlord has recently returned from the service and desired to occupy the home where this young widow now resides.

We have known her father, who is a good, hard working, honest farmer, for 35 years; during which time we have had many business dealings with him. He has been very desirous of assisting his daughter to build a home, and was very much disturbed to be advised of the ruling enclosed.

We personally feel that the ruling is most unjust, and we will certainly do all in our power to help this woman get a home whether she has priority assistance or not.

It is rulings of this kind that cause loss of confidence in our administrative officers of the Government, and we again say that unless the Government gets out of business, we are going to have the greatest wave of unrest that this country has ever seen.

The present attitude of the Government towards the construction industry has nothing sound about it, and will in many instances tie up an ex-GI with a mortgage upon a home that is so poorly built that it will fall apart long before the mortgage is paid.

For the sake of the future welfare of the country, use your efforts to remove the present regulations from the building industry, and get production of the materials needed for home construction.

Yours very truly,

SCHMUCK Co.,
C. Y. BROUGH.

I have a letter here from the Housing Administration saying that the wife of a veteran of World War II is not eligible for priority assistance in connection with the construction of a home for herself and her family.

This lumber company goes on to say:

We will do everything in our power to see that the World War widow and her family do get a home regardless of Government opposition.

EXHIBIT 2

NATIONAL HOUSING AGENCY,
FEDERAL HOUSING ADMINISTRATION,
Philadelphia, Pa., February 26, 1946.

Mr. C. Y. BROUGH,
Schmuck Co., Hanover, Pa.

DEAR SIR: In reply to your letter of February 22, I regret to advise you a widow of a veteran of World War II is not eligible, under priorities regulation 33 of the Civilian Production Administration, for priorities assistance in connection with the construction of a home for herself and family.

For your information, I am enclosing herewith a copy of the regulation.

Yours very truly,

LEO A. KIRK,
District Director.

By WILLIAM P. CARSON,
Administrative Officer.

The regulation attached is part 944 applicable to the operations of the priorities-system reconversion housing program and contains about 7,500 words.

EXTENSION OF REMARKS

Mr. CUNNINGHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. LARCADE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article on rice.

Mr. BIEMILLER asked and was given permission to extend his remarks in the Appendix of the RECORD on two subjects and in each to include editorials.

PERMISSION TO ADDRESS THE HOUSE

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

SITE OF UNITED NATIONS ORGANIZATION

Mr. LARCADE. Mr. Speaker, in the matter of selecting a site for the headquarters of the United Nations Organization, when the United States was selected, it seems that neither the west coast nor the east coast could be decided upon, so I suggested as a compromise the South and New Orleans. However, it was finally decided to have the headquarters located on the New England coast, it seems now it is not wanted there. In view of this, I believe the best place to locate the headquarters of the United Nations Organization is in Louisiana or near New Orleans, with its climate, beauty, charm, romance, history, and its nearness to the Latin-American countries, our good neighbors, its geographical location and other advantages make it an ideal location for the headquarters of the United Nations.

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE PACKERS AND OPA

[Mr. SABATH addressed the House. His remarks appear in the Appendix of today's RECORD.]

SPECIAL ORDER GRANTED

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent that the special order I had for this afternoon may be moved ahead to Monday, March 11.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include therein a resolution from the Milwaukee County Board of Supervisors.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. BIEMILLER addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a statement from the national legislative director of the Amvets urging terminal leave for enlisted men, and in the other to include a letter from a constituent in regard to the proposed loan to Great Britain.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and include an edi-

torial from the Quincy (Ill.) Herald-Whig entitled "British Views on Loan."

Mr. RAINS (at the request of Mr. SPARKMAN) was given permission to extend his remarks in the RECORD and include an editorial from the Anniston Star.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in three instances and include certain statements and excerpts.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include an editorial from the Binghamton Press.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PRICES OF FARM COMMODITIES

Mr. MURRAY of Wisconsin. Mr. Speaker, while we are talking about resolutions from the State of Wisconsin, I happen to have one in my pocket at this time, reading as follows

STATE OF WISCONSIN,

County of Wood, ss:

I, J. A. Schindler, the duly elected, qualified, and acting county clerk, in and for Wood County, Wis., hereby certify that the following is a true and correct copy of Resolution 4, adopted by the Wood County Board of Supervisors at their meeting held on the 26th day of February 1946:

"Resolution 4

"Whereas the price of wages all over the country is advancing approximately 20 percent; and

"Whereas the price of steel and other commodities going into farm machinery and supplies will undoubtedly advance rapidly; and

"Whereas these various things are bound to advance all farm costs: Therefore be it

"Resolved, That the undersigned request our Congressman, REID MURRAY, and our United States Senators, ROBERT M. LAFOLLETTE and ALEXANDER WILEY to do everything in their power to keep the price of farm commodities in line with farm costs; and be it further

"Resolved, That the county clerk be and is hereby directed to send a copy of this resolution to our Congressman and United States Senators.

"GEORGE C. KUNDINGER.

"DICK GREENEWAY.

"EDMUND ZETTLER."

Dated at Wisconsin Rapids, Wis., this 27th day of February 1946.

J. A. SCHINDLER,
County Clerk, Wood County, Wis.

Mr. Speaker, any time you give the pig raisers the same hourly return for their labor as you do the pig stickers down in Milwaukee you will have plenty to eat and you will not need emergency food committees.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE HOUSING STABILIZATION BILL

Mr. SMITH of Ohio. Mr. Speaker, last evening I heard a radio commen-

tator say in effect that the gentleman from Texas [Mr. PATMAN], said the trouble he is having with his dictator housing bill is caused by the gullibility of Members of Congress, that shyster lobbyists are slinking around behind doors and under beds meanly taking advantage of this situation to defeat his bill. I saw something in the morning paper about that too. Further, that he is invoking the power of the FBI to protect those of us who suffer from this mental weakness against these evil-minded people.

It seems to me things are getting pretty bad when our own Members have opinions such as this of their own colleagues.

EXTENSION OF REMARKS

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the RECORD and include two editorials.

PERMISSION TO ADDRESS THE HOUSE

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

THE HOUSING STABILIZATION BILL

Mr. KOPPLEMANN. Mr. Speaker, I would like the House to know of an incident in connection with the activities of the lobby that is operating against this bill.

The other morning I received from a town in my district 12 telegrams. These arrived in one batch. They all protested this bill, wanted it recommitted, and predicted chaos in the construction industry if it passed. I wrote answers to each one of my protestors, told them I was for the bill and why.

In this morning's mail, thus far, I have received back nine of my replies. The envelopes which have been returned are stamped by the post office of the town "not found," "cannot find in the directory," and so forth. It rather takes us back to the old days when the lobbies were active against the stock-exchange law, the public-utility legislation, and the reorganization bill. That is the kind of stuff being peddled about by the interests who do not represent the people. They do not care what methods they pursue in their greed to make profits out of a crisis by defeating this bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TIME OF MEETING OF THE HOUSE

Mr. DONDERO. Mr. Speaker, the other day I propounded a question of the Speaker as to when the House of Representatives first began meeting at 12 o'clock.

I give you the answer as follows:

From a check of the House Journals from September 5, 1774 until June 1, 1784, it appears that there was no order fixing the time of meeting each day. The time was fixed in

the motion to adjourn each evening, i. e., "I move that the House adjourn until 9 o'clock in the morning."

Almost without exception the House met at 9 or 10 o'clock from 1774 to 1784.

The first order of the House fixing the time of meeting seems to be June 1, 1784, and reads as follows: "Resolved, That until the adjournment, Congress will meet precisely at 9 in the morning, and adjourn at 2 in the afternoon; meet again at 4 and adjourn at 8 o'clock in the evening."

During the First Congress under the Constitution the time of meeting was stated in the motion for adjournment, usually 11 and sometimes 10 a. m.

During the Third, Fourth, Fifth, Sixth, and Seventh Congresses the same practice was followed.

At the beginning of the Eighth Congress it was resolved that unless otherwise ordered the daily hour of meeting shall be at 11 a. m. This also was true of the second session, although at times it was resolved to meet at an earlier date for a short period of time.

It seems that this was the start of fixing the daily hour at the beginning of each session.

From the beginning of the Eighth Congress the time was fixed at the beginning and sometimes changed during the sessions by order of the House for 10 or 11 o'clock until 1816.

While, of course, it is possible that sometime prior to this date the House may have adjourned from one day to the next at 12 o'clock, the first meeting at 12 under order of the House seems to be in 1816. During some of the following Congresses after we were into the session the House ordered an earlier meeting for periods of time.

EXTENSION OF REMARKS

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include excerpts from a letter from James DeLaunier, publisher of the Hammond (Ind.) Times.

Mr. BREHM asked and was given permission to extend his remarks in the RECORD.

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Baltimore Sun in support of premium payments or subsidies for the production of housing material.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

IMAGINARY LOBBYISTS FRIGHTEN FRIENDS OF HOUSING BILL

Mr. RANKIN. Mr. Speaker, I rise to offer what appears to be much needed assistance to some Members of the House.

The Members who are supporting this bill seem to be calling on the FBI to protect them from lobbyists. The opponents of the measure have not been disturbed. Not a single lobbyist has been to see me! but if you gentlemen who are supporting this bill and who went on the radio and made a plea for protection at the hands of the FBI really want protection, I will get the Committee on Un-American Activities to go to your relief.

I do not want to see you embarrassed any worse.

Why, last night the way Mr. Winchell barked over the radio and abused Congress, you would have thought somebody was down here leading the Congressmen around by the ears and abusing them into reluctant opposition to this measure.

Being one of the Members who is opposed to this bill in its present form, I have not seen a single man that assumed that attitude who has been disturbed by any lobbyist.

But, as I said, I am willing to call on the FBI, enlist the aid of the Committee on Un-American Activities, summon the police, and turn in the fire alarm, if necessary, to protect the frightened friends of this measure against the baneful influence of those imaginary lobbyists of which they so bitterly complain.

The SPEAKER. The time of the gentleman from Mississippi has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

LOBBYING ON THE HOUSING BILL

Mr. SAVAGE. Mr. Speaker, I am one of those who is advocating the passage of this bill and advocating housing for veterans. The lobbyists are not bothering me particularly, personally. The people who have been carrying on the campaign for months do not necessarily come down to the doors here and grab hold of a Congressman and tell him how to vote, but they even send propaganda into the homes. They do not stop at sending it to our offices. Real estate dealers who are looking for inflationary profits are even more opposed to ceilings on homes and this proposed program for building homes than are the builders, but together they have done a big job of campaigning. They have appeared before our committees, they have had their associates send us wires from our districts. They have been in our offices. This is not just lobbying—this has been a pressure campaign. This is what we are talking about when we talk about a big lobbying campaign. Every Member here knows it has been going on and it does no good to deny it. It is not just something that happened today. Of course, I do not think any actual picketing has taken place or that violence has been used or that we need the FBI or the Committee on Un-American Activities, but we do need this bill now, without crippling amendments.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

CIRCUIT COURTS OF APPEALS AND DISTRICT COURTS

The Clerk called the bill (H. R. 4230) to provide necessary officers and em-

ployees for circuit courts of appeals and district courts.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

RECORDING OF AGREEMENTS RELATING TO PATENTS

The Clerk called the bill (H. R. 3756) to require the recording of agreements relating to patents.

Mr. COLE of New York. Mr. Speaker, in view of the fact that the committee has not filed a report in compliance with the rules of the House showing changes in existing law, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CORRECTING NAVAL RECORD OF FORMER MEMBERS OF CREWS OF "ALGONQUIN" AND "ONONDAGA"

The Clerk called the bill (H. R. 1498) to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

POST OFFICE DEPARTMENT

The Clerk called the bill (H. R. 5186) to authorize certain administrative expenses in the Post Office Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there shall be in the Post Office Department four Assistant Postmasters General, who shall be appointed by the President, by and with the advice and consent of the Senate, and who may be removed in the same manner.

SEC. 2. There is authorized to be expended, from the appropriations for compensation to postmasters in the annual Post Office Department appropriation acts, compensation, at the rate provided by law for such services, to persons who, pending the designation of an acting postmaster, assume and properly perform the duties of postmaster upon the occurrence of a vacancy in the office of postmaster of the third or fourth class.

SEC. 3. The Postmaster General is hereby authorized to employ at summer and winter post offices auxiliary clerk hire and to compensate them from the appropriation for clerks at first- and second-class post offices carried in the annual Post Office Department appropriation acts.

SEC. 4. The Postmaster General, under such regulations as he shall prescribe, is authorized to provide village delivery service in towns and villages where free delivery service has not been authorized to the extent of annual appropriations that may be made therefor.

SEC. 5. The Postmaster General is authorized to sell to the public post-route maps and rural-delivery maps or blueprints at the cost of printing and 10 percent thereof additional.

SEC. 6. In the purchase of lawbooks and books of reference the Postmaster General

is authorized to transfer and exchange, as consideration or part consideration, law-books and books of reference no longer needed.

SEC. 7. The Postmaster General is authorized to make expenditures of such sums as may be annually appropriated for carfare and bicycle allowance, including special-delivery carfare, cost of transporting carriers by privately owned automobiles to and from their routes at rates not exceeding regular streetcar or bus fare, and for the purchase, maintenance, and exchange of bicycles.

SEC. 8. The Postmaster General is authorized, in the disbursement of the appropriations for vehicle service made in the annual appropriations for the Post Office Department, to apply a part thereof to the leasing of quarters for the housing of Government-owned motor vehicles at reasonable annual rentals for terms not exceeding 10 years each.

SEC. 9. The Postmaster General is authorized to contract for telephone service in public buildings under his administration by means of telephone switchboards or equivalent telephone switching equipment jointly serving in each case two or more governmental activities, where he determines that joint service is economical and in the interest of the Government, and to secure reimbursement for the cost of such joint service from available appropriations for telephone expenses of the bureaus and offices receiving the same.

SEC. 10. Appropriations for the Post Office Department, except such as are exclusively for payment of compensation, shall be available for expenses of examination of estimates for appropriations in the field, including per diem allowances in lieu of actual expenses of subsistence.

SEC. 11. The Postmaster General is authorized to expend not exceeding \$15,000 annually from appropriations made for the maintenance of the equipment shops in Washington, District of Columbia, for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions.

SEC. 12. The Postmaster General is authorized to pay rewards for detection, arrest, and conviction of post-office burglars, robbers, highway mail robbers, and persons mailing or causing to be mailed any bomb, infernal machine, or mechanical, chemical, or other device or composition which may ignite or explode, out of such sums as may be appropriated therefor: *Provided*, That rewards may be paid in the discretion of the Postmaster General when an offender of any of the classes mentioned was killed in the act of committing the crime or in resisting lawful arrest: *Provided further*, That no part of the sum appropriated shall be used to pay any rewards at rates in excess of those specified and officially published by the Post Office Department as offers of reward: *And provided further*, That of such amounts as may be appropriated not to exceed \$20,000 may be expended in any fiscal year in the discretion of the Postmaster General for the purpose of securing information concerning violations of the postal laws and for services and information looking toward the apprehension of criminals.

SEC. 13. (a) The provisions of the acts of April 21, 1902, May 27, 1903, and June 19, 1922 (39 U. S. C. 423), relating to contracts for the transmission of mail by pneumatic tubes or other similar devices shall not be applicable to appropriations made for the pneumatic-tube service in New York, N. Y., in the annual appropriations for the Post Office Department.

(b) The provisions of the acts of April 21, 1902, and May 27, 1903 (39 U. S. C. 423), relating to the transmission of mail by pneumatic tubes or other similar devices shall be applicable to appropriations made for the pneumatic-tube service in Boston,

Mass., in the annual appropriations for the Post Office Department so far as not inconsistent with such appropriation acts.

SEC. 14. (a) If the revenues of the Post Office Department in any fiscal year shall be insufficient to meet the expenditures of the Post Office Department and the postal service for that fiscal year, a sum equal to such deficiency shall be paid out of any money in the Treasury not otherwise appropriated to supply such deficiency, and the sum or sums needed shall be advanced to the Post Office Department upon requisition of the Postmaster General.

(b) If the revenues of the Post Office Department for any fiscal year shall exceed the expenditures of the Post Office Department and the postal service for that fiscal year, the excess of revenues shall be deposited in the general funds of the Treasury as surplus postal receipts.

With the following committee amendments:

Page 3, strike out sections 10 and 11 and insert the following:

"SEC. 10. The actual and necessary expenses of officials and employees of the Post Office Department and postal service, when traveling on official business, may be paid from the appropriations for the service in connection with which the travel is performed, including per diem allowances in lieu of actual expenses of subsistence, and appropriations for each fiscal year shall be available therefor.

"SEC. 11. The Postmaster General is authorized to establish and maintain mail equipment shops for the manufacture and repair of mail bags, mail locks, and other necessary equipment. He is also authorized to expend not exceeding \$15,000 annually from appropriations made for the maintenance of the equipment shops in Washington, District of Columbia, for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipment as may be required by other executive departments and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions."

Page 6, after line 24, insert the following:

"SEC. 15. The Postmaster General is authorized to expend from the appropriations for the rural delivery service carried in the annual appropriations for the Post Office Department, such sums as are necessary for auxiliary carriers, clerks in charge of rural stations, tolls and ferriage and for incidental expenses of the rural delivery service."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATENT INFRINGEMENT SUITS

The Clerk called the bill (H. R. 5311) to amend the Revised Statutes of the United States (35 U. S. C. A. 70).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, while the report accompanying this bill complies with the technical provisions of the rules of the House, the explanations showing the changes in existing law are not very clear. In order that the House may be fully advised as to the effect of the bill, I ask that some informed Member explain it.

Mr. LANHAM. May I say to the gentleman that a supplementary report complying with the Ramseyer rule has been filed with reference to this bill in accordance with the permission granted in the House last week.

Mr. COLE of New York. It is true that the supplemental report does set forth in one column existing law and in another column the law as it will be after the enactment of this bill, but comparison of the two is rather difficult. I thought that perhaps it might simplify things if some member of the committee could explain it.

Mr. LANHAM. I was advised by the clerk of the committee that there has been a conference with the legislative counsel with reference to that, and I had understood that it met with the approval of the legislative counsel.

This bill simply provides for proper damages with reference to infringement, and allows the court, in case the infringement of the patent is innocent, merely to assess royalties and restrain further infringement, and in case of willful infringement to provide what the damages shall be. The measure of such damages is clearly set out. It will be due compensation for making, using, or selling the invented article, not less than a reasonable royalty therefor. If the gentleman has examined the report, he will have noted that the object of the bill is to make the basis of recovery in patent-infringement suits general damages; that is, any damages a complainant can prove, not less than a reasonable royalty, together with interest from the time the infringement occurred, rather than damages based upon profits. Of course, in a case of an innocent infringement, it is to be presumed that the court would assess no more than reasonable royalty for such time as the patent was infringed by the innocent user. The committee, I may say, reported this bill unanimously after rather adequate hearings. The gentleman from Oklahoma [Mr. SCHWABE] is equally familiar with the matter. I regret that the gentleman from Wisconsin [Mr. HENRY], who introduced this bill, is unavoidably out of the city today and, therefore, cannot be present to explain the bill further.

Mr. COLE of New York. I would like to be sure. Do I understand correctly that the effect of this bill is to make a reasonable royalty for an infringement the measure of minimum damages to any holder of a patent whose patent has been infringed?

Mr. LANHAM. That is the purpose of the bill as brought out before the committee.

Mr. COLE of New York. And to that extent it would simplify the case of an aggrieved party in proving damages?

Mr. LANHAM. It would.

Mr. CRAVENS. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. CRAVENS. Would not that mean the enforced compulsory licensing of patents if the invention is limited to merely collecting royalty?

Mr. LANHAM. The inventor is not limited merely to collecting the royalty. I would say that in the case of an innocent infringer who had infringed without notice and without knowledge that it would be unreasonable to collect from him more than the reasonable royalty.

Mr. CRAVENS. I agree on that.

Mr. LANHAM. But if there has been a willful infringement, then the dam-

said plane was engaged in making a flight over the area indicated: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY A. THOMPSON, TRUSTEE, MISSOURI PACIFIC RAILROAD

The Clerk called the bill (H. R. 4239) granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That license granted by the Secretary of War, of date September 14, 1943, to Guy A. Thompson, as trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, herein designated as grantee, to relocate Missouri Pacific Railroad tracks across United States Government reservation at lock No. 3, White River, Independence County, Ark., and in connection therewith to remove a portion of the bluff and replace the previously existing trestle by solid fill obtained from the bluff, is ratified, and permission to maintain and to operate over said railroad track as so relocated is granted, subject to the following provisions and conditions, to wit: (a) That the exercise of the privileges hereby granted shall be without cost or expense to the United States, under the general supervision and subject to the approval of the officer of the Army having immediate jurisdiction over the property, and subject also to such regulations as may be prescribed by him from time to time; (b) that any property of the United States damaged or destroyed by the grantee incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by the grantee to the satisfaction of the said officer, or in lieu of such repair or replacement the grantee shall, if so required by the said officer, pay to the United States money in an amount sufficient to compensate for the loss sustained by the United States by reason of damage to or destruction of Government property; (c) that the United States shall have the right to load or unload cars while on the main track in the vicinity of the lock: *Provided*, That regular scheduled trains are not thereby delayed; (d) that the grantee shall maintain at its own expense at some nearby point, a siding or spur track from which the United States can receive and forward freight, either in carload lots or less than carload lots; (e) that the grantee shall not use the river banks within a distance of 150 feet above and below the limits of the lock walls as a place for depositing spoil or waste, excepting under such conditions as may be approved by the said officer; (f) that the grantee shall supervise the said railroad track and cause it to be inspected at reasonable intervals, and shall immediately repair any defects found therein as a result of such

inspection, or when requested by the said officer, to repair any defects; (g) that the grantee, at grantee's expense, shall maintain a pedestrian underpass; and (h) that the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted, or for damages to the property of the grantee, or for damages to the property or injuries to the person of the grantee's officers, agents, servants, or employees or others who may be on said premises at their invitation or the invitation of any one of them, arising from governmental activities on the said premises, and the grantee shall hold the United States harmless from any and all such claims.

SEC. 2. That permission herein granted supersedes and is in lieu of the license granted to the White River Railway Co., February 26, 1902, by Public Law No. 23 (32 Stat. L. 41).

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved, and if this permission is revoked, the grantee shall vacate the premises, remove said property therefrom, and restore the premises within such time as the Secretary of War may designate, and upon failure so to do, said property shall either become the property of the United States without compensation therefor, or the Secretary of War may cause the property to be removed and the premises to be restored at the expense of the grantee, and no claim for damages against the United States or its officers or agents shall arise by reason of such removal or restoration work.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLLS FOR PASSAGE OR TRANSIT OF GOVERNMENT TRAFFIC OVER THE SAN FRANCISCO-OAKLAND BAY BRIDGE (CALIF.)

The Clerk called the bill (H. R. 3565) to authorize the charging of tolls for the passage or transit of Government traffic over the San Francisco-Oakland Bay Bridge.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REEMPLOYMENT RIGHTS OF SEAMEN

The Clerk called the bill (H. R. 3973) to amend the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, effective as of June 23, 1943, the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes," approved June 23, 1943 (57 Stat. 162), is amended to read as follows:

(a) When used in this act the term "service in the merchant marine" means (1) service as an officer or member of the crew on or in connection with a vessel documented under the laws of the United States or a vessel owned by, chartered to, or operated by or for the account or use of the Administrator, as an enrollee in the United States Maritime Service on active duty, and, to such extent as the Administrator shall prescribe, any period awaiting assignment to such serv-

ice and any period of education or training for such service in any school or institution under the jurisdiction of the Administrator; and (2) service as a civilian officer or member of the crew on or in connection with a vessel owned by, chartered to, or operated by or for the account or use of the War Department.

(b) Any person entering service in the merchant marine after May 1, 1940, and before the termination of the unlimited national emergency declared by the President on May 27, 1941, who, in accordance with rules and regulations prescribed by the Administrator, War Shipping Administration, completes a period of substantially continuous service in the merchant marine, shall be entitled to a certificate to that effect from the Administrator upon completion of such period, which shall include a record of any special proficiency or merit obtained.

SEC. 2. (a) In the case of any such person who, in order to perform service in the merchant marine, has left or leaves a position, other than a temporary position, in the employ of any employer and who (1) receives such certificate, (2) is still qualified to perform the duties of such position, and (3) makes application for reemployment within 90 days after completion of such service, and, in the case of that person described in subsection (b) of this section who fulfills the requirements of clauses (1) and (2) of this subsection and in the case of that person described in subsection (c) of this section who fulfills the requirements of clauses (1) and (2) of section 8 (b) of the Selective Training and Service Act of 1940, as amended, and makes application for reemployment within 90 days after completion of service in the merchant marine or relief from training and service in the land or naval forces or, in the case of any person described in this section, within 90 days from hospitalization continuing after such completion or such relief for a period of not more than 1 year—

(A) if such position was in the employ of the United States Government, its Territories or possessions, or the District of Columbia, such persons shall be restored to such position or to a position of like seniority, status, and pay, without regard to whether such position shall have been covered into the classified civil service during the period of his military, naval or merchant marine service;

(B) if such position was in the employ of a private employer, such employer shall restore such person to such position or to a position of like seniority, status, and pay unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so;

(C) if such position was in the employ of any State or political subdivision thereof, it is hereby declared to be the sense of the Congress that such person should be restored to such position or to a position of like seniority, status, and pay.

(b) Any person who, after May 1, 1940, and before the termination of the unlimited national emergency declared by the President on May 27, 1941, shall have entered upon active military or naval service in the land or naval forces of the United States, and who shall thereafter, within the aforesaid period, have been discharged or released from active service and have received a certificate evidencing satisfactory completion of such active service, and who shall, within 30 days from date of discharge or release from active service, have entered upon service in the merchant marine, shall be entitled to all the reemployment benefits of this act, as amended, to the same extent as in the case of any person who, in order to perform service in the merchant marine, has left or leaves a position, other than a temporary position, in the employ of any employer, in lieu of the reemployment benefits of the Selective Training and Service Act of 1940, as amended, and of the Service Extension Act of 1941, as amended.

(c) Any person who, after May 1, 1940, and before the termination of the unlimited national emergency declared by the President on May 27, 1941, shall have entered upon service in the merchant marine, and who shall thereafter within the aforesaid period have terminated such service in the merchant marine solely in order to perform active military or naval service in the land or naval forces of the United States, and who shall, within 30 days from date of termination of his service in the merchant marine, have entered upon such active military or naval service, and who shall thereafter have received a partial certificate of substantially continuous service, shall be entitled to all the reemployment benefits of the Selective Training and Service Act of 1940, as amended, and of the Service Extension Act of 1941, as amended, to the same extent as in the case of any person who, in order to perform active military or naval service in the land or naval forces of the United States, has left or leaves a position other than a temporary position, in the employ of any employer, in lieu of the reemployment benefits of this act, as amended.

(d) Any person who is restored to a position in accordance with the provisions of paragraph (A) or (B) of subsection (a) shall be considered as having been on furlough or leave of absence during his period of service, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person entered such service, and shall not be discharged from such position without reasonable cause within 1 year after such restoration.

SEC. 3. In case any private employer fails or refuses to comply with the provisions of section 2, the district court of the United States for the district in which such private employer maintains a place of business shall have power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, to specifically require such employer to comply with such provisions, and, as an incident thereto, to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. The court shall order a speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States district attorney or comparable official for the district in which such private employer maintains a place of business, by any person claiming to be entitled to the benefits of such provisions, such United States district attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof to specifically require such employer to comply with such provisions: *Provided*, That no fees or court costs shall be taxed against the person so applying for such benefits.

SEC. 4. Employees of the United States Government, its Territories or possessions, or the District of Columbia (including employers of any corporation created under authority of an act of Congress which is either wholly controlled or wholly owned by the United States Government, or any corporation, all the stock of which is owned or controlled by the United States Government, or any department, agency, or establishment thereof, whether or not the employees thereof are paid from funds appropriated by Congress), who, subsequent to May 1, 1940, shall have entered upon service in the merchant marine, shall be entitled to receive, in addition to any pay for such service, compensation in their civilian positions covering their accumulated or current accrued leave, or to elect to have such leave remain to their

credit until their return from such service.

SEC. 5. The Administrator, War Shipping Administration, may make such rules and regulations as he deems necessary or appropriate to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY OF CLINTON BRIDGE COMMISSION

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to return to the consideration of the bill (H. R. 4914) to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944, for the purpose of asking the gentleman from New York what prompted the gentleman to object to the bill.

Mr. COLE of New York. Of course, my objection was only to the consideration and not to the bill. As I understood, it was a bill to authorize the construction of a toll bridge, and that the bill contained no provision which would exempt the Federal Government from having to pay a toll for Government-owned vehicles using the bridge on official business, which I think should be contained in all toll bridge authorizations.

Mr. JENSEN. Is that the custom?

Mr. COLE of New York. I understood it had been the custom. This is the first group of bills of this type that the House has considered in several years. Prior to the war, or in the early days before the war, it was my understanding that such a provision was contained in all toll bridge authorizations. This bill does not contain that provision.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Minnesota.

Mr. PITTENGER. May I say that I have listened to this dialog with interest. The gentleman from New York raised the same objection to a bill in which I was interested last fall, and as I recall it, a simple little amendment providing that the Army and the Navy do not have to pay tolls on the bridge is about all that you need. It strikes me as being a mere technicality, but probably the Government should not pay tolls over this kind of a bridge. I was willing to make an exception in connection with the efforts to get rid of paying a toll on the bridge that now spans the St. Louis River between the city of Duluth, Minn., and the city of Superior, Wis. I think you can safely follow the gentleman's conservative leadership on that matter because the gentleman from New York has had vast experience on far-flung fronts and he knows what he is talking about on this amendment.

Mr. JENSEN. I believe Government-owned vehicles should have toll-free passage over such bridges as are proposed in this bill. I thank the gentleman from Minnesota and also the gentleman from New York for their explanations. I shall cooperate with the gentleman from Ne-

braska [Mr. STEFAN], author of the bill, to amend the bill so as to make it acceptable for passage 2 weeks hence when the Consent Calendar is again considered on the floor of the House.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. COLE of New York. I object, Mr. Speaker.

EXTENSION OF REMARKS

Mr. HAYS asked and was given permission to extend his remarks in the RECORD and include an editorial.

CALL OF THE HOUSE

Mr. O'TOOLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 39]

Almond	Fisher	McConnell
Andrews, N. Y.	Folger	McGregor
Arnold	Gardner	McKenzie
Baldwin, Md.	Gary	Mankin
Baldwin, N. Y.	Gerlach	Marcantonio
Barrett, Pa.	Gossett	Morrow
Beall	Gwinn, N. Y.	Morgan
Bell	Hale	Morrison
Bender	Hall	Murphy
Bland	Leonard W.	Norton
Bloom	Halleck	Peterson, Ga.
Bolton	Hart	Plumley
Bonner	Healy	Poage
Boren	Heffernan	Powell
Boykin	Henry	Randolph
Brumbaugh	Herter	Rivers
Buck	Holmes, Mass.	Robinson, Utah
Buckley	Jackson	Roe, N. Y.
Cannon, Fla.	Jarman	Schwabe, Mo.
Cannon, Mo.	Johnson, Okla.	Shafer
Case, S. Dak.	Keefe	Sheridan
Celler	Kefauver	Short
Chapman	Kelley, Pa.	Somers, N. Y.
Clark	Keogh	Stevenson
Clason	Kilburn	Stigler
Coffee	Kunkel	Thom
Cole, Kans.	LaFollette	Torrens
Curley	Landis	Voorhis, Calif.
Dawson	Lane	Wadsworth
Domengeaux	Larcade	Wolfenden, Pa.
Drewry	Lea	

On this roll call 338 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 10, line 20, strike out lines 20 to 25 and on page 11, lines 1 to 11 and insert the following:

"SEC. 705 (a) Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any material or facilities under this section, the Director shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, and (2) satisfying the housing requirements of veterans of World War II and their immediate families."

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on yesterday the very distinguished and able gentleman from Texas and I appeared jointly on a radio program here in Washington. He and I have both agreed, and I believe every Member of this House will agree with us, that all Members of this body are eager to do their utmost to see to it that housing is built and, as this amendment states, especially for veterans of World War II and their immediate families. We differ only on the methods to be pursued.

In his opening remarks the gentleman who conducted the program, Mr. Hart, made mention of the President's statement to the effect that we should use our imagination and our utmost endeavors to have housing built, and referred to the magnificent manner in which the people of the United States rose to the occasion when we were required to produce and produce and produce the materials of war.

I would like to call the attention of the Members of the House to the fact that when our industrialists and labor were called upon to produce these materials of war, the first thing that happened was that the President brought into Washington some of the most able, some of the most capable men in the entire field of manufacture regardless of their politics. He set up the War Production Board and put in charge of it exceedingly able men, and they obtained the services of additional able men to man the various departments. We have now in this Government of ours a department which is established for the purpose of arranging the guaranty of loans on housing accommodations. That is known as the Federal Housing Administration. Almost every home owner who builds a home in the United States makes application for a loan under the FHA and the FHA is required to approve that loan, to approve the plans, and everything else in connection with the building of the home before the loan is made.

Now is there any reason in the world why we need to set on top of the present agencies of the Government a new super-agency to perform just that function? If a loan be approved by the FHA, should not that be ample authority for a builder to obtain priority to build a home? I just want to say this, that if you want to have a capable group in the Government

to direct this program, particularly for the building of veterans' homes, the most able and the most capable group in the Government—and I have high regard for their ability—is the Federal Housing Administration.

Who do you have in this set-up that we have now before us for discussion? I have high respect and regard for Mr. Wilson Wyatt. He is a great salesman. He is a fine fellow. He was the mayor of Louisville. He is an eminent and distinguished attorney. As mayor of Louisville, he organized a housing program for Louisville, Ky., appointed a committee to do that, and they went out and did a lot of talking. They did some work, and perhaps it has been successful; I have not been down there to see. But we have many fine committees in this House, including the distinguished committee in charge of the bill, made up of a lot of fine lawyers, a few farmers, and some businessmen, and some news writers and others. Why not put this program into the hands of men who actually know the building business? I suggest that this bill could be taken back into the Committee on Banking and Currency, and they could call before it the men who actually know what the building business is all about in the United States, and in 3 days they could bring out a bill here on the floor that would build twice as many houses as are presently being anticipated with present priorities, and we will all vote for it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. They could build twice as many houses, almost, as the present obligations for priorities show to be ready to be built and really expedite this program. Every man jack of us here in the House wants this program to get going and get going fast. Why not listen to these people, and in 3 days bring back a bill that will really produce homes? With all due respect to my colleague, the gentleman from Michigan, I do not think his bill will do very much more than the committee bill; it may do more; it has some parts of the committee bill stricken from it, and the language is much better, but why not do that and cut out all of the fussing here, cut out all the business of calling names and accusing people of obstruction, and bring in a bill that really means something. Instead of criticizing some group, charging it with greed or trying to do something that is wrong, why not consider a new bill that will expedite the production of building materials and quit lambasting everybody in the country who disagrees with the present bill? I am in favor of a bill that will actually produce houses, and not one that will produce a lot of red tape and bad names for people in this country who are going to be responsible for carrying out any building program that this House and this Congress and this administration desires to put in motion. Let us get busy and get the right

bill, and get it quickly, and quit all this squabbling.

Mr. Chairman, a contractor can hardly be persuaded to take a contract these days, because he has no assurance that he can get the necessary building materials—even on the black market. But supposing he agrees to try, then he hires building-trades labor. He gets the first delivery of a truckload of bricks. The bricklayers start to work, but they do not see any more brick coming, so what do they do? They naturally slow down, keeping a weather eye out for the next load of brick. The load does not arrive, and then the contractor has on his hands and on his pay roll, doing nothing, but adding to his expense, several bricklayers.

Now, that sort of thing spread throughout the building program, causes three things to happen:

First. The contractor cannot possibly estimate in advance the cost of a home. Therefore, he is unwilling to guarantee a price.

Second. If he does guarantee a price, it has to be high enough to cover the cost of all unforeseeable delays and probable idle labor costs. Of course, the Government wouldn't approve that price as a price ceiling. Hence, your reliable and substantial builders cannot afford, and do not and will not build.

Third. The building trades craftsman sees himself in the uncertain position of going from one building project to another, trying to find a place where building materials are on hand to work on. That means loss of working time to him, and hence, he needs to have increased pay for the little time he actually does work. He has bills to meet, too.

The net result is that building is delayed, the costs are much higher than they should be, the workmen are unhappy, and the GI or whoever it is who pays for the house, has to pay far more than he would otherwise have to pay.

The answer, the very obvious answer, is to free the producer of all kinds of building material, so that he can produce and produce in unlimited quantities. Give him that chance, and he will cut the costs. He neither needs nor wants any Government subsidies. He only needs to be free of Government red tape and controls and restrictions—a mess in which he is now so tangled up that he can hardly move.

That is the simple and obvious answer. More restrictions can only make things worse. The Patman bill merely provides another batch of Government red tape in which to entangle and slow down the business of home building. Right now, you cannot see the houses for the forest of regulations.

A VOTE FOR THE MOTION TO RECOMMIT HOUSING BILL WILL IN EFFECT BE A VOTE TO KILL THE BILL

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from California I know is sincere in his statement that the bill should go back to the committee, but I believe that when he knows what has actually happened in the past he will admit that there is no reason why we should send the bill back

to the committee. I refer to the fact that this bill was prepared about October 15, about the time that L-41, which had to do with the channeling of materials, was canceled, but it was not introduced until November. It was introduced November 20. The hearings commenced before the Committee on Banking and Currency on December 3. It was well known to people who were interested in this type of legislation that hearings were in progress before the House Committee on Banking and Currency, 1301 House Office Building. The chairman of that committee had requests from all over the country from people who desired to testify.

The first three witnesses were witnesses from the Administration. The next witness was a witness representing the National Association of Real Estate Boards. I believe the gentleman will find that this representative of the real estate boards from all over the country, who was accompanied by members of his staff who sat there with him and prompted and helped him all during his testimony, fully covered and made an argument against every proposal in this bill that is now objected to. Not only did he testify, but a number of other realtors and builders also testified.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Does not the gentleman believe that if this bill were recommitment it would be the death of the bill?

Mr. PATMAN. Yes, it would be the death of the bill, because our committee right now is holding hearings in the morning on OPA, and these hearings are likely to last for weeks longer, at least 3 or 4 weeks it looks like. After that we have the British loan and we have other things to consider. It means that we cannot take up this bill if it is recommitment. I think it is out of the question. If anybody wants to kill the bill, vote to recommit it, because that would in effect kill the bill.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Alabama.

Mr. PATRICK. A bunch of telegrams have come to me, as I guess they have come to all of us. I have a sheaf of them here. They are dated the 21st, 22d, and 23d of February. They are all from my district, and they ask that the bill be sent back to the committee. This is part of that same campaign.

Mr. PATMAN. They are from Birmingham, Ala.?

Mr. PATRICK. Yes.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. HINSHAW. I appreciate the views of the distinguished gentleman from Texas. May I ask him whether any representative of the people who are going to have to build these houses throughout the country testified before his committee in favor of this bill?

Mr. PATMAN. Yes; we had a witness from Birmingham, I think, and I know we had one from Houston, Tex., and one from Dallas, Tex., and one from some other place. These were practical builders, who build 5, 25, 50, and 500 houses at a time. They are the people who actually do the work. They were before the committee. The gentleman will see their testimony in the hearings.

Mr. HINSHAW. I have read most of the testimony.

Mr. PATMAN. I think the gentleman will find they were in favor of the legislation, because they wanted to build moderate-priced homes. The people who are opposed to building moderate-priced homes do not like this bill because they can make a lot more money building race tracks and saloons and things like that, and commercial buildings, that are not essential. Therefore, they do not like this bill at all. This bill will channel scarce materials into the most worthy hands.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. May I say for the information of the gentleman who just interrogated the gentleman from Texas that I had a builder in my office the other day who builds 30 to 40 houses a year. He said he came up to oppose the bill. After he had gone over the bill with me and we had consulted with the Housing Administration here, he shook me by the hand and said, "Go ahead and vote for that bill."

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STEWART. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. STEWART. Is there any provision in the bill which would permit those of us who live in the lumber-producing areas to build cheap houses out of rough lumber?

Mr. PATMAN. There is nothing in the bill which would prevent you from doing that, nothing at all.

Mr. STEWART. The lumber is channeled into the general pool, together with all of our materials?

Mr. PATMAN. That is, into your own communities. The communities will not be discriminated against. I assure you you will not be hurt by that.

Mr. STEWART. If the gentleman will yield further so that I may observe, the processor of rough lumber has a ceiling of \$36 a thousand, but when he sells it to the bigger mill which puts it through the planer mills, this situation confronts us.

Mr. PATMAN. I know something about the problem that you have there. I regret that my time is limited, and I cannot yield further.

Regarding the administration of this act, may I say to the distinguished gentleman from California [Mr. HINSHAW] that he is right about the FHA. The FHA has administered the housing problem very well. It is contemplated under this act that the FHA will administer it. There are no ifs, ands, and buts about it. That has always been contemplated. Mr. Bowles testified for the bill, stating that although he would not administer it, the FHA would administer it and he was for it and felt that it was a good thing for the country. So if the gentleman makes a point concerning the administration of the act by the FHA, may I suggest to him that he should be for the bill because the FHA under Mr. Wyatt's direction is going to administer it.

Mr. HINSHAW. I appreciate the gentleman's statement. I hope what he says is true. Will the gentleman tell me any reason in the world why there must be then a new super super agency on top of that agency?

Mr. PATMAN. We need this agency for the same reason that we needed the rubber director and expeditor. The rubber situation and shortage during the war is exactly on all fours with the housing situation at the present time. In that case, we had an emergency and we needed someone to coordinate and co-operate with all the different agencies. The veterans organizations of World War II are 100 percent for this bill and have endorsed it and are strongly advocating the passage of the bill.

Those are organizations that are 100 percent World War II veterans. There are some organizations composed of Spanish-American War veterans and World War I and World War II veterans, and the rest of them. They are not out fighting for the bill like the others are. Of course, the fact is that most of the veterans of World War I and the veterans of the Spanish-American War and other wars were all here during those 4 years. We had an opportunity to get ourselves a home. Most of us have homes which we either own or rent. We are not in distress like the veterans of World War II. And they have come back home and find themselves without homes. They want this bill passed. Furthermore, I desire to call to your attention the fact that there is a lot of information going out over the country to vote against this bill because it has a \$6,000 ceiling provision in it. It does not have a \$6,000 ceiling provision and nothing along that line is contemplated. I had considered offering an amendment in the committee, but I decided it would not be a wise thing to do and I abandoned it. I am not going to offer it here. I understand no such amendment will be offered providing for a \$6,000 ceiling. We leave it to the Administrator, believing that if his hands are left free and if we give him the tools to work with, he can do a better job by not being handicapped by restrictions and limitations as to ceilings. I ask the Members of the House to seriously consider this great emergency. I know that you are just as interested in the welfare of the veterans as I am. It is not a question of the veterans' interest alone; it is also a ques-

tion of us carrying out a duty which we owe to these men to help them get houses and help make it possible for them to either rent or buy a house. I do not think it is unreasonable. I do not think it is demagogic. I do not think it is communistic to say that these men and women, 15,200,000 strong, who served during World War II, that is, 35,000 men and women from each congressional district, most of whom were gone for 4 years, during which time the people who remained at home, including the war workers, were assisted by Congress in the form of appropriations and subsidies voted by the House, could buy or rent houses on reasonable terms, as I say, I do not believe it is unreasonable to give the men and women who served in our armed forces 2 years' time so that they can get a home.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, with reference to this question of whether there were sufficient hearings, which has been discussed on the floor, I think you want to know what the record shows. On Monday, January 28, there was an argument in the committee, led by the gentleman from Wisconsin [Mr. CRAWFORD], because the chairman would not permit the witnesses who were in opposition to the bill to be heard. The hearings, as you will see on page 405, recorded that controversy as follows—

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Miss SUMNER of Illinois. In just a moment.

The CHAIRMAN. We will have to meet in executive session on this bill by Friday. We have some other things to come along.

Mr. CRAWFORD. This bill, Mr. Chairman?

The CHAIRMAN. Yes.

Mr. CRAWFORD. As far as I am personally concerned, I am not going to agree to that because time and again it has been understood here that the opponents to this bill would be permitted to appear.

The CHAIRMAN. We are going to hear the Office of Price Administration Tuesday.

Mr. CRAWFORD. That may be true, Mr. Chairman, but—

The CHAIRMAN. If you have some people that wish to be heard on Thursday or Friday, bring them in.

Mr. BUFFETT. Mr. Chairman, we have had hearings on one side of this proposal over a period of weeks. It seems to me just fantastic to come in now and say that we are going to wind it up in 3 or 4 days, without giving at least a couple of weeks for people to be heard on the other side of this proposal.

The CHAIRMAN. We cannot have any couple of weeks now. We have already set the Office of Price Administration bill for next Tuesday.

That ends the quotation as I recorded it from the hearings. I think you will find from further observation that they just had 2 days in which the opponents could testify.

I now yield.

Mr. SPENCE. The people who made the request were satisfied with the position that the chairman took, were they not? Do you know of anybody who was refused who actually wanted to be heard, whose name was submitted?

Miss SUMNER of Illinois. I know plenty of witnesses who wished to testify.

Mr. SPENCE. Of course, we could not just seek potential witnesses, but everybody who asked to be heard was given an opportunity to be heard. That is my recollection and that was my intention. Of course, after the hearings were over—

Miss SUMNER of Illinois. I do not yield further.

Mr. SPENCE. A good many of them said they wanted to be heard.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Miss SUMNER of Illinois. I yield.

Mr. WOLCOTT. To clear up the latter situation, 2 days were allocated for the so-called opposition witnesses. I was given the obligation of lining up the so-called opposition witnesses. I sent out 8 or 10 wires to representatives of industry and representatives of labor to determine if they could appear on those particular days. That was about 48 hours before we were supposed to present them. I received wires back from all but two of them that because of the shortness of the notice they would be unable to appear. Otherwise they would like to have been before the committee.

Miss SUMNER of Illinois. And above all, do not forget that the most dangerous part of this housing program was not announced by Mr. Wyatt until 2 or 3 hours after the bill was voted out of the committee.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LESINSKI. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the reason I am taking the floor at this time is on account of the strong lobby for premium payments restoration of title VI. I have been in the building business since 1903 and in the lumber business since 1913. I am worried about title VI, for one reason. Over 20,000 homes for war workers were built in my district and I know I have presented dozens and dozens of complaints to Mr. John Snyder and the FHA, and they have not been taken care of today.

As title VI was originally written it permitted the builder to mulct the public of at least \$10,000,000 in my district.

That is the reason we should stick to title 2, but if you must have title VI, then the protection should be given to the public the same as it is in title 2.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. In just a moment.

I wish to bring another matter to the attention of the Committee. I have actual invoices of lumber purchased from 1940 to December 1945. I have here an invoice of September 25, 1940, one car 2 by 4 by 8, No. 2 common, S4S, \$28 per thousand, less freight, which was \$114; a net total of \$419.

In other words, lumber in those days was \$28 per thousand free on board track, less \$9 freight, or \$19 free on board mill.

The following invoice on April 18, 1941: A car of 2 by 4 by 8, \$29. The price went up a dollar, but the same procedure.

On May 31, 1941, a car of 2 by 8 went up to \$32 per thousand, less freight.

On June 19, 1941, a car was shipped at \$32, less freight, less discount.

September 3, 1941, the price already went up to \$37.

October 23, 1942, the price went up to \$40, but the difference is this: Instead of being billed as No. 2 common, for construction work, it has been billed as medium, fine grain, coarse grain, special, 2, 3, 4, select E, and everything you could think of under the sun. I think that is wrong.

I have a bill for a one-car shipment that takes two pages of items and yet it is only one item for construction. The mistake was made that that lumber was sold in the rough on the west coast.

I have a bill for a carload of lumber amounting to \$822—that is, in two bills—for resawing in transit \$215.86 and a freight bill of \$768.63.

The trouble with the shipping of lumber is that the grades were changed after the war started. What should be done first, is to come back to the regular grading used in prewar days. In other words, in construction you do not need any better lumber than No. 1 common, or No. 2, and the differential between those grades is anywhere from \$3 to \$4 a thousand. I have invoices to show that certain shippers instead of shipping yellow pine lumber will ship you No. 2 gum, poplar, or tupelo at a price of \$42.50 mill plus freight, and for No. 1, \$25 additional per thousand.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman mentioned title VI. Under that title we had no houses built during the war. I am going to offer title VI as an amendment and I hope the gentleman will not oppose it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Chairman, in reference to title VI, may I say that under title VI a builder is permitted to go ahead and construct a certain number of houses on Government credit. Under title II he has to do it on his own credit. In connection with buildings I have inspected in my territory, a builder sold a widow of a GI, a home for \$6,000 which should have cost only \$5,000. She paid \$2,500 down and \$3,500 FHA loan. The most brutal thing in connection with dealing with this GI widow was that she had to pay rent for 3 months before the title came to her and she had to prepay all costs.

The FHA costs run approximately \$140 or \$150. Her total prepaid costs were close to \$700. Then she had to pay for laying the water mains, she had to pay for laying the sewer in the rear, she had to pay for the grading of the street, she had to pay for a sidewalk in front of the house, she had to pay for the grading, all of which should go along with the cost of the house.

That is the reason that if title VI has the same protection as title II it is admissible, but if it has not, then title VI should not be considered because you are going to give the builder, who is not what we call a legitimate builder, the opportunity to skin the public to whom he sells the house.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield further?

Mr. LESINSKI. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman refer to the language detailed in the invoice he has there, the one with all the detail on it? Now, in the prewar experience how many lines would there be on the invoice to cover that whole shipment?

Mr. LESINSKI. About three lines.

Mr. CRAWFORD. Every lumberyard in the country is running short-handed. An invoice comes in for a carload of lumber. In checking that material out of the car you have to count every piece, do you not?

Mr. LESINSKI. That is correct.

Mr. CRAWFORD. So as to accommodate itself to the invoice. The accounting department of the lumberyard has to go through all that detail and, as the gentleman said, we have some of the most asinine regulations I have ever seen when we were trying to get these things done. The gentleman is asking that we return to the prewar method of billing lumber.

Mr. LESINSKI. And cut nothing but No. 1 and No. 2 construction lumber, and that should be done in the following way: There should be a directive that 75 percent of the lumber shall be cut for construction work. It does not make any difference about the other 25 percent of the western production. They are now cutting what we call decking and scaffolding lumber, which costs twice as much as the regular construction lumber would cost. The mill that produces that lumber does not manufacture it. It merely produces the lumber. They have to load that on cars with green lumber, which weighs 4,500 pounds, instead of 2,200 pounds. It goes to a stop in transit point to be unloaded. There they cut it and reload it, and that costs an additional \$20 per thousand; and at the same time you are paying freight on the 4,500 pounds. That carload arrives at a retail yard. You have to strip the lumber, dry it, then pick out the grades, cut to sizes, and remanufacture into pattern.

Mr. CRAWFORD. And if you remanufacture, you have to run it through your own sawmill in the lumberyard, which costs an additional amount?

Mr. LESINSKI. That is right.

Mr. CRAWFORD. All of those costs have to be paid on top of this increase in price that has been reflected in the invoice?

Mr. LESINSKI. Yes; take a producing mill, instead of getting \$2 a thousand under OPA regulations for kiln-dried and manufactured lumber they should get \$5, \$6, \$8, or \$10 additional a thousand. Then the producing mill will produce that carload and deliver to the retailer's yard, but by the present method you pay \$20 a thousand for transit stop-over to have the lumber cut to sizes. Then the retailer still must pay on a weight of

4,500 instead of 2,200 pounds in the kiln-dried method. You also want to remember that lumber takes a freight rate of \$1.05 a hundred, which means \$21 or \$22 per thousand on kiln-dried lumber, but you are paying \$45 for freight on green lumber.

By this method you can cut off all the expenses if the producer is permitted to kiln-dry that lumber and ship direct to small retailers.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that they are going through this resawing in an effort to show up higher prices than they are entitled to?

Mr. LESINSKI. No; eliminate the actual stop-over in transit and have the producer of the lumber manufacture it at its source.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been some question about the fairness of the hearings on this bill. The hearings consist of over 570 pages. The chairman at all times offered those who wanted to be heard the opportunity to be heard. For a long time after the hearings started few Members on the other side took much interest in the hearings, and they were not well attended. Finally, before the conclusion of the hearings, they said they wanted some time for the opposition. I told them they could be heard Thursday, Friday, and Saturday. It is my recollection that the gentleman from Michigan [Mr. Wolcott], the ranking minority member, said he thought that was fair. I said that they had to clear through him. They probably did not produce as witnesses those whom they desired to be heard. We concluded the hearings, and then there was a general interest in being heard. During the hearings I offered the opportunity to Members representing industry to appear before the committee and be heard, and they refused to do so. After the hearings had closed they said they wished to be heard.

Now, if you recommit this bill, you kill it. The Committee on Banking and Currency is very busy. It is busy with important legislation. We are hearing the OPA legislation now. The British loan will follow, and there is much other legislation of great importance which will be submitted to that committee. There is no doubt about what the result will be if you recommit it.

The gentleman from California has said that we ought to have builders to administer the law. Well, a man might be an excellent builder, he might thoroughly understand his business as a builder, but he might have no capacity whatever to administer a law of general application. I think it would be very short-sighted to put upon the Board merely builders, because they have had no experience in the administration of laws, and they probably would make a great failure of it. It is always bad policy to put on boards men who have a personal interest. I think that you must have an administrator who has demonstrated his knowledge of the law and the capacity to construe it and administer it.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. HINSHAW. I am sure the gentleman did not hear me say that builders should be set up to administer the law. I said that a person with long experience in the building field should have that job.

Mr. SPENCE. A man with long experience in the building field would be a builder.

Mr. HINSHAW. Not a carpenter; I did not mean that, but a man of considerable experience.

Mr. SPENCE. I heard a story once of a man who came to where they were constructing a great building, and he said to one man, "What are you doing?" He said, "I am shaping stone to be put in this building." He said to another, "What are you doing?" He said, "I am mixing the mortar to hold the stones in place." He said to another, "What are you doing?" He said, "I am a carpenter; I am making the framework." And he said to the fourth man, "What are you doing?" He said, "I am building a cathedral."

You have to have men with vision to build great cathedrals, and you have to have men with vision of a different kind to administer the laws. I think we have a pretty good administrator in Mr. Wyatt, and I do not believe he can be improved upon by selecting some builder, as useful and as fine an occupation as they have. I hope the builders will get together and carry out the purposes of law. There is where the builders can show their usefulness and render a great service to the American people.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last two words.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, I think it will be of value to the House to know something about the meeting at Chicago of the National Association of Home Builders and the circumstances surrounding their endorsement of the subsidy provisions. My information comes from one who participated in that meeting.

A meeting of the board of directors of the National Association of Home Builders was held Wednesday, February 27, 1946, during a convention week in Chicago, prior to Mr. Wyatt's evening address when the points on his 15-point program were presented. The point which had to do with subsidies was considered in the form of a motion which was to reject it. That motion carried unanimously. There was not a dissenting voice among the members. The proposition had been carefully considered prior to the time the vote was taken. This action was in the form of a suggestion to the resolutions committee.

That same evening Mr. Wyatt addressed the convention. The next day he appeared before the board of directors and argued for subsidies. The gist of his presentation was that his program could not be carried out unless subsidies were provided.

Picture in your mind the situation: Here were the directors of the National

Association of Home Builders, representing thousands of local industries throughout the country. The directors of the association met to discuss the Wyatt program. Their minds were normal, expressive of their real needs. In this calm and independent state of mind they unanimously agreed to reject subsidies. Then Mr. Wyatt appeared on the scene, armed with the Federal power further to withhold building supplies from going to home construction. He told the directors of the National Association of Home Builders, who had the day before unanimously voted to reject subsidies, that unless he is given subsidies he cannot operate his program. That is, Mr. Wyatt just as good as told them that unless they endorsed subsidies they would not get lumber, brick, and other materials they need to build homes. Can any Member deny that Mr. Wyatt was armed with huge Government power? Is it supposed this did not have some effect in causing the directors to change their minds? Does not this simulate the methods Hitler used to bring industry under his control? Was it fascism when Hitler did them, and is it something else when our Government officials do them?

Mr. MONRONEY. Mr. Chairman, will the gentleman yield so that his remarks may be clarified? I have listened attentively to the statement of the gentleman. I would like the gentleman to say in clear language if it was the intent of his statement to say that under fear of Mr. Wyatt's powers the American Association of Home Builders reversed its stand because they were afraid of punitive action being taken against them. I want the record to be clear on that point.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Miss SUMNER of Illinois. It is not important whether these powers were used that way. The story, whether it is true or not, serves to show that he has these Hitlerish powers and how they can be used.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. SMITH] may have two additional minutes so that he may answer my question.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. SMITH of Ohio. Your question is whether the National Association of Home Builders was coerced in approving subsidies.

Mr. MONRONEY. I asked if the gentleman charges that they were coerced into approving subsidies, yes, sir. I would like to have that question answered.

Mr. SMITH of Ohio. I charge that Wilson Wyatt was in a strong position to coerce the National Association of Home Builders to approve subsidies.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

The only power that Mr. Wyatt has without congressional action is the power

to handle the distribution of materials. Does the gentleman contend that that power was sufficient to change the minds of the home builders?

Mr. SMITH of Ohio. I have answered that question. However, when the gentleman from New York [Mr. BARRY] says Mr. Wyatt only has authority to handle the distribution of materials, he is mistaken. In respect to the housing industry he has the support of the President who is vested with all the powers related to that industry granted by Congress. Those powers are in many respects totalitarian, since they include those of the OPA, those under the Second War Powers Act, and so forth.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last three words.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, within the past hour I have discussed the matter of subsidies to stimulate production of building materials with the president of the National Association of Home Builders and with their executive vice president. I discussed it at length with them. I discussed it with the vice president of the association who happens to be one of my constituents, and I would like to tell the House that nothing could be as far from the truth as the insinuation made a few minutes ago, that any duress or fear or threat or anything else but their own judgment had anything to do with the reversal of the stand of the American Association of Homebuilders.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

[Mr. McCORMACK addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, let everybody take a deep breath and "unlax" and consider what the issues are before the House. I do not believe anyone can seriously contend or should contend that Mr. Wyatt is the issue. I have said repeatedly that I thought it was very refreshing to have in government a man of Mr. Wyatt's enthusiasm and willingness to work; and so this bill should not be judged on Mr. Wyatt as an individual.

We have made some mistakes in years gone by in predicating legislation on the fact that some particular individual would have the responsibility of administering the act. As far as I know until I find to the contrary I am going to state that Mr. Wyatt is a very honest-minded, conscientious individual with whom I can disagree and still be friendly, a man with whom I can disagree and still have admiration for; and I hope that when we have gotten all through with these debates, realizing that Mr. Wyatt temporarily at least is going to have the administration of the act, we will not do anything which will prevent the people of the United States from having full faith and confidence in Mr. Wyatt's integrity, honesty, and ability. I do not believe that Mr. Wyatt's personal business is a matter which is properly be-

fore this Committee. Neither do I believe it is proper to legislate on what the National Association of Homebuilders happened to do in Chicago, what resolution they passed in Chicago, what resolution they did not pass in Chicago. That should not affect us any more here in this Committee than what any other individuals have done. I have quotations from all sides of that problem in my pocket but I do not think they are worth burdening this committee with.

To go on further with whether or not the National Association of Homebuilders did or did not do something particular in Chicago is of little moment. After all, there has been a denunciation of lobbying on this and a good many other bills, and Members always take the floor and lament the fact that the lobby results in hysteria, that the lobby results often in hysteria to the point where legislation is warped because of mass psychology engendered by their actions. However, lobbyists can be and oftentimes are helpful. Of course, lobbyists over the week end have been at work on both sides, which is perfectly all right. That is the American way of doing things. We want to hear from the administration as well as from the people who are going to be affected by this legislation.

Mr. Chairman, let us from now on, please, dispassionately and without rancor or without attempting to try any individual get on with this work, because it is important that we consider seriously a housing bill and that we enact some housing legislation that will aid the Expediter, whoever he may be, in doing everything he possibly can within reason and according to the dictates of what we think are desirable measures to get the bottleneck broken and housing for our veterans and our needy civilians.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ARENDS. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I hope I can follow the suggestion just made by the gentleman from Michigan [Mr. Wolcott]; that is, hew to the line and get to the bottom of the trouble and stick to the business before us.

Mr. Chairman, for four long days this House has been debating the question of providing much needed housing in the United States. Frankly, I must say that it appears the House is terribly confused as to what steps would be best to follow in order to provide sufficient housing, particularly for the many deserving veterans who now find themselves unable to obtain a dwelling in which to live.

While home for a couple of days during the forepart of last week, seven lumber and material dealers of Bloomington, Ill., in my district, called upon me regarding this home building problem. We had a rather lengthy discussion as to what might be done by the Government in order to facilitate this necessary building program. These lumber dealers of my district have certain ideas of their own which they definitely feel would be of help toward the solution of the problem before us. They have set forth eight definite suggestions which I desire to call to your attention. Here are the steps

which they feel to be imperative if we are to have early relief from the present extreme lumber and building shortages. I quote their letter:

The low production of lumber, confusion in its distribution, and the rapidly growing black market in building material is a vital national concern today. Immediate, definite remedial steps are imperative.

Necessary steps, we believe, are—

1. Increase at once by OPA of mill ceiling prices of \$10 per thousand board feet of kiln dried yard items in fir, hemlock, white pine, and southern pine. These items include No. 1 and 2 grades of 2-inch dimensions, same grades of 1-inch boards, shiplap and centermatch, "bundled uppers" such as flooring, ceiling, siding, etc., and inside trim and moldings and hardwood flooring.

2. OPA's policy of cost absorption down the distribution line is entirely fallacious and only tends to retard the recognized needed building. OPA seems to utterly ignore the fact that every business is laboring under greatly increased costs of operation over 1941, and definitely needs more instead of less profit to continue operation.

3. Reduce prices for export lumber to at least a par with mill ceilings for domestic sales. Present lack of ceiling prices on export lumber encourages foreign sales of the lumber needed in the United States today. Place a moratorium on any export lumber for at least 12 months.

4. OPA regulations should be amended to stop and eliminate retail sales by mills and wholesalers except on like volume if done in 1941. That practice is now permitted and is becoming a common practice through many subterfuges, such as affiliates.

5. Federal subsidies are not the proper answer to production of needed building materials. Adequate manufacturers' price increases will accomplish the same end quicker and more effectively. The cost, borne in either case by the Nation's citizens, will be greater through subsidies.

6. Limit for balance of 1946, except through permit of State government, Federal Government, industrial, and commercial building projects.

7. Prefabricators and such should not be given special allocation and consideration in obtaining materials. Utmost should be done, or permitted, to allow materials to move through their natural prewar channels.

8. Keep regulations to barest minimum. They only delay and retard building accomplishment. If given a reasonable chance of a fair profit, manufacturers, distributors, and contractors will get the job done quicker, better, and cheaper. Not regulations, but a reasonable profit expectation is the ignition of American production.

These things are necessary to get increased production of items needed and to stop black-market operations which have already reached enormous proportions, and makes it practically impossible for honest dealers to secure any lumber or building materials necessary to build small homes.

Falling the accomplishment of these steps at once, it is our serious opinion that the lesser of the two evils would be the prompt, complete elimination of OPA.

Respectfully yours,

Seven material dealers of Blooming-ton and Normal, Ill.: Parker Bros., Harwood Lumber & Fuel Co., Schwulst Lumber & Coal Co., Corn Belt Lumber Co., West Side Coal & Lumber Co., Baumgart Lumber & Coal Co., Alexander Lumber Co.

Mr. Chairman, it does seem to me that these worthwhile suggestions set forth above, merit the attention of the Congress, of the OPA, and all construction agencies. You simply cannot build a house unless you have material to build

with. I am not nor can I be convinced that the payment of subsidies is the answer to the difficulty. Let us give private enterprise and individual initiative the greatest possible opportunity to do the job of building these needed homes. Restrictions and more restrictions serve only to slow up the whole program. I am certain that private industry can do a job if we will only give them the go-ahead signal.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if I understand correctly, we are discussing the committee amendment on page 11, known as section 705 (a); is that correct?

The CHAIRMAN. The gentleman is correct.

Mr. CRAWFORD. This section has to do with giving the Director a chance to exercise his judgment, and reads as follows:

Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations, he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

As I understand this language there is no clear-cut provision there which places the Director in a position where he must allocate the materials for the purpose of repairing or building facilities in any farming communities.

Mr. Chairman, at the proper time I shall offer two amendments, the first one being in line 15, following the word "accommodations":

in rural and urban areas and for the construction and repair of essential farm buildings.

Then on line 24, page 11, I will offer another amendment following the word "prices":

(2) The need for the construction and repair of essential farm buildings.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. HINSHAW. I think the gentleman must offer his amendments before the section is passed. If that section is agreed to, the gentleman will not have an opportunity to offer his amendments.

Mr. CRAWFORD. The Parliamentarian informed me otherwise, and I am depending on what the Parliamentarian told me.

Mr. HINSHAW. If the gentleman will ask the Parliamentarian now he will see I am correct.

Mr. CRAWFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRAWFORD. I understood, unless I misunderstood the Parliamentarian, that I could not offer an amendment to this section until the committee amendments had been acted upon and the bill thus perfected. In other

words, may I at this time offer an amendment to the committee amendment?

The CHAIRMAN. Yes.

Mr. CRAWFORD. Then I misunderstood the Parliamentarian.

Mr. Chairman, I offer three amendments to the committee amendment.

The Clerk read as follows:

Amendments offered by Mr. CRAWFORD:

Page 11, line 15, after the word "accommodations", insert "in rural and urban areas and for the construction and repair of essential farm buildings."

On page 11, line 24, after the comma, insert "(2) the need for the construction and repair of essential farm buildings."

Page 11, line 24, strike out the numeral "(2)" and insert in lieu thereof the numeral "(3)."

Mr. CRAWFORD. Mr. Chairman, the language of these amendments is self-explanatory. These amendments are necessary to protect the farmers in their repairs to buildings and the construction of essential farm buildings. I do not care to take up any additional time of the House in further explaining the amendments. I hope the amendments will be adopted.

Mr. SPENCE. Mr. Chairman, I make the point of order against the amendments that they are not germane.

Mr. CRAWFORD. Then, Mr. Chairman, I want to be heard on the point of order.

The CHAIRMAN. Was the gentleman from Kentucky seeking recognition at the time the amendments were reported?

Mr. SPENCE. Mr. Chairman, I was not familiar with just what the amendment contained. The gentleman who offered the amendment said he had not written it out.

The CHAIRMAN. The Chair is of the opinion that the point of order comes too late, because the amendment was debated by the gentleman from Michigan after it was reported.

Mr. CRAWFORD. Mr. Chairman, I want to make clear to my chairman that when I spoke to the Parliamentarian about the amendment, asking at what point I could offer the amendment, I understood from him that the amendment could not be offered until all of the committee amendments were adopted or acted upon, so I was simply unintentionally misinforming myself in that manner. I have no misunderstanding about what the amendment is or its purpose.

Mr. BROWN of Georgia. If the gentleman will yield, as I understand, the gentleman was giving the same treatment relative to houses to the rural people as to those in the cities and towns.

Mr. CRAWFORD. That is the purpose of this amendment.

Mr. SPENCE. I have no objection to that, if that is the only purpose of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 1 hour.

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, I do not un-

derstand that there is any controversy before the Committee at the present time. We are all anxious to get to the controversy, which comes in the next section. Unless the gentleman wants to prolong general debate on the bill, there surely is no necessity for prolonging the debate for an hour on this amendment.

Mr. PATMAN. There are some Members here who have been trying ever since the consideration of this bill started to get into the debate, but they have not had an opportunity to do so. There were 12 Members standing. This request will allow them 5 minutes each.

Mr. WOLCOTT. We have had general debate, virtually, on this bill for about 4 days.

Mr. MARTIN of Massachusetts. Is there anyone standing who has not already spoken several times on the bill?

Mr. HOFFMAN. Some of us have been trying for 4 days and have not been able to speak on the bill yet. We have been here for 2 days while Members went up to New York and Philadelphia and other places.

Mr. SPENCE. It seems difficult to please Members. If you make the time too short you are cutting them off, and if you make it too long, that also meets opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. WASIELEWSKI].

Mr. WASIELEWSKI. Mr. Chairman, Not to change the subject, but because it is rather difficult to gain the floor when one desires, I wish to take this opportunity to discuss an amendment that will be offered later. I have listened intently to the debate on the housing bill before us for the past several days. Frankly, because I have never believed in subsidies, I have found difficulty in accepting some of the contemplated provisions in this legislation. I have been in great hopes that a more suitable and palatable solution might be brought forth but none seem to have been presented.

Since I have been a member of the House of Representatives I have voted against subsidies consistently until we got into the price control field when it was found necessary to resort to subsidies as a price control measure, and even then I voted for subsidies with my tongue in my cheek.

The problem before us is not just the construction of homes. It is the making available of materials needed for the construction of homes. Under the present set-up, building materials just are not being produced. Some charge that the fault lies with the Office of Price Administration, and there are other charges, but regardless of where the fault lies our job is to see that the materials are produced and made available at once, in order that our returning veterans shall have a place to live.

With the debate on this measure coming to a close, we have four choices before us.

First. We can permit a wholesale rise in the price of building materials. If we do, it will mean there will be no truly low-

cost housing that can be dignified as a "home, and we will have no housing within the reach of the pocketbook of the veteran.

Second. We can have the Government enter the housing business, build the homes and rent them at from \$30 to \$50 a month regardless of what they might cost, and you know from experience that when the Government builds, it costs plenty. This would really be a subsidy.

Third. We can pass the Wyatt proposal which does not grant a general price rise, but increases production from both new and old producers and thereby increases the flow of materials for the construction of the new homes that are so badly needed.

Fourth. We can do nothing and our veterans and others will have no moderate-priced homes and the Congress will have failed in the fulfillment of its responsibility.

I have consistently opposed subsidies since I have been in Congress. I have opposed subsidies for crops like cotton, tobacco, and sugar beets. In fact, only last week I voted against the ship sales bill because to me it represented too great a subsidy. To be consistent, I suppose I should vote against subsidies today. But I find the situation is so different that I cannot follow my previous convictions, for I have no better proposal, and have heard none presented in the course of debate. While I do not want subsidies, I do want homes for the Americans who not so long ago were willing to lay down their lives for us. Therefore, I shall vote for the Wyatt proposal.

Let us grasp this fact: For every 10 homes now standing we have to build 1 more during the next 2 years. This is a tremendous task and will require unusual action in order that it may be realized. As production gets under way and supply and demand even up it may be possible to get production without subsidies and the cost of this program reduced.

Mr. Chairman, I wish to take this opportunity to call on the Members on both sides of the aisle to reject politics and face the problem before us squarely. The need for homes is not a theory but a ghastly reality. We must have the houses. Time is of the essence: the building season is here and it is imperative the program be gotten under way.

The CHAIRMAN. The gentleman from California [Mr. JOHNSON] is recognized for 4 minutes.

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of California. Mr. Chairman, I have been listening to this debate for 3 days, and I am almost as confused as I was when the debate started.

In order to understand my viewpoint and what is probably the viewpoint of many Members present, I want to recite to you the situation that confronts us in my part of the country.

I represent a typical war district. The increase in population in my district has been 150,000 during the war. There is not a single available house that I know of. Veterans are coming back, and they are literally walking the streets.

If we do not have places for them to live in, we may have riots, we may have bloodshed and all kinds of trouble. The very ones we want to provide houses for, it is now impossible to take care of by giving them a chance to get or rent a house. Furthermore, we have a terrific increase in the amount of money that each person in my district has in his pocket. I do not see how production of houses can possibly meet the demand for houses within 2 years. The result is that whatever houses are built, unless there is some type of restraint, will go on the market at prices so high that very few if any veterans will get them. They simply do not have the money to compete with other buyers, unless some way is found to hold down the cost of houses.

To illustrate to you how inflation has set in, in the matter of houses, I want to tell you of my own personal experience. In 1919, when I came out of the other war, I bought a little home for \$2,850. That home has hardly been improved at all, except by landscaping the yard and putting a cement walk in front of it. Yet, in December 1945, 26 years after I bought that little house for \$2,850, it sold for over \$6,000. It was sold by a man who bought it from me way back in 1929 and who made no improvements to it.

How can we stop this inflationary trend? That is what troubles me. It seems to me the Wolcott amendment offers one way to do it. He says, and I know it is true, that the present Administrator, Mr. Wyatt, has every possible power that he needs to put on ceilings, to take off ceilings, to override the OPA, to make premium payments, and to do anything he needs to carry on and expedite the building of houses. He has that power under the Wolcott amendment and the War Powers Acts. It seems to me that the exercise of such power by the Administrator is the only way we can stop this trend toward inflation and bring houses down to within the means which the veteran has.

Furthermore, the way to get efficiency out of this mass-building project is to give it to a czar. That is the way we got efficiency and volume in rubber production. That is the way we have handled other war problems. This is a war problem. This is one of the most distressing war problems, directly resulting from the war. The very ones we are trying to benefit, the ones we are trying to help, are the ones who stand in the position of being least favored. Give it to the man who has powers which are flexible, who can give the premiums necessary to get the items that are short, like plaster, molding, cast-iron pipe, and what not. Whatever is necessary for him to get production he is empowered to do.

After studying this subject for 3 days, it seems to me our best course is to pass the Wolcott amendment and give Mr. Wyatt these unlimited powers. The situation and the times require that we give this housing czar these broad powers to get the houses the veterans deserve and need now.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentleman from California [Mr. DOYLE] is recognized.

(Mr. DOYLE asked and was given permission to revise and extend his remarks.)

Mr. DOYLE: Mr. Chairman, as an aid to clear thinking I thought I would do a little comparing of the two bills before us, the Patman bill and the Wolcott substitute. I realize that most Members of the House have not had a chance to get possession of the Wolcott amendment, but I asked 11 Members of the House if they had read it. Only one said he had.

The language of the Patman bill and the Wolcott bill is almost identical in statement of purpose, each being substantially to permit returning veterans to acquire housing at fair prices. The difference in the Wolcott substitute is that the word "equitable" is added to the word "fair."

If it be said that the Patman bill is indefinite and uncertain, as was said the other day, as to whether or not the Housing Expediter had power to direct the other agencies of the Federal Government to follow through, I call your attention specifically to page 3, line 2, where the following language is found:

The Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

This is not uncertain language, it is all inclusive language. The thing the Wolcott substitute does, in this connection, is to use about five times as much language to say the same thing. Evidently the author of Wolcott substitute wanted to make certain the Expediter has plenty of control over others. So as far as bureaucracy is concerned, if the Patman amendment leans toward bureaucracy, the Wolcott amendment makes it doubly clear that the intention is to have the Director or Expediter have control of all the Federal departments or agencies as he might decide necessary in this housing field.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the committee member.

Mr. BROWN of Georgia. I think the only practical difference between the Patman bill as reported out by the committee and the Wolcott bill is that in the Patman bill we have ceilings on new homes. The Wolcott bill has some businesslike subpenas, getting of books, and so forth.

Mr. DOYLE. I thank the gentleman from Georgia for that contribution.

However, there are some other items of major importance—even though no one else has yet debated about them.

I call attention now to the apparent fact that the Wolcott bill carries heavier penalties than the Patman bill, for, section 703 in the Wolcott bill provides for 2 years' imprisonment instead of 1, as in the Patman bill, with the same \$5,000 fine as in the Patman bill.

Then I call your attention to this also, that under section 707 of the Wolcott bill, it allows the Federal Government to spend \$1,800,000 more than the Patman bill. Why should minority Members and a few others be complaining about spending too much money in the Patman bill in this manner when the Wolcott bill

makes it easy to spend over \$1,500,000,000 more than Patman does?

Now as to court jurisdiction. I am a lawyer and I always look at the question of jurisdiction of courts. The Wolcott amendment does not specify what courts shall have jurisdiction. This probably means confusion in court decisions, delay in court processes. The Wolcott amendment does not give priority, on the court calendars, to these cases as does the Patman amendment. This means very serious delay and consequent losses. In other words, the Patman bill specifies that cases arising under this act shall take priority. This is as it should be. We all know that. You lawyers know that on a court calendar in a metropolitan district this is very important. So there is no jurisdiction defined and no priority given by the Wolcott bill. The Wolcott amendment is absolutely silent in this respect, and to me it is damaging to the extent that it ought to be defeated. Either in prosecution or in defense these cases should clear the calendar with utmost dispatch.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I have but a minute left; I cannot yield. I am sorry.

Section 707 of the Patman bill provides that if a person is aggrieved by the order or regulation he may go to court for court review. It leaves him recourse to a court constituted to appeal from an administrative decision, which may be most unjust and arbitrary or capricious. This is as it must be to be sound. The Wolcott bill does not provide that.

I have not tried to discuss the same matters which have been discussed for 3 days, but, for these reasons, I say that fundamentally the Patman bill is sound and will operate to protect the rights of the American people in these matters relating to court processes, far more than does the Wolcott bill. The Wolcott bill is not sound in these particulars. It should not be adopted in this form on these vital matters.

Finally, it is indicative to me, although I am not a builder, when the National Association of Homebuilders says in its telegram recently as follows: "We unanimously endorse the objectives of the Wyatt housing program" that the entire home-building industry will support and cooperate with Mr. Wyatt. Here, then, is a national board of directors, assembled to consider this bill and to hear Mr. Wyatt discuss it with them. They did both. They were convinced by their study. Their great experience and responsibility in this field is very convincing to us, gentlemen.

The following is the full text of the wire of the National Association of Homebuilders, by their Nation-wide directorate. Every Member knows it and has had it available since it was distributed to us last week. Certainly, no one can claim that this group who sent this telegram lacks in determination to perpetuate our American way of life and our American competitive plan and free enterprise. This board of directors is comprised of experts in their own chosen field. They personally and with those they represent over the Nation represent

many millions of dollars of invested capital. No one gainsays their knowledge and their integrity and their responsibility for whatever telegram they let loose for the benefit of the knowledge of this Congress, right at this time.

Let us read it again, as follows:

FEBRUARY 28.

National Association of Home Builders directorate meeting in annual conference here today heartily endorsed following features and amendments to Patman bill: Premium payments; veterans' preference; title VI; extension of powers to July 1947. Unanimously opposed pricing formula of bill since PR 33 automatically prices all new housing. Unanimously endorsed objectives Wyatt housing program and indicated entire home-building industry support of, and cooperation with, Mr. Wyatt.

FRANK W. CORTRIGHT,
Executive Vice President.

If we are to make a mistake in this confused legislative situation in favor of anybody let us make that mistake in favor of the veterans and their home needs. They and their loved ones gave far more than those who were not called upon to sacrifice as they did. Yes, let us make a mistake in their benefit, if we are to make any at all.

Then thousands of new homes to be built all over our blessed land will create new subdivisions and tracts of real estate. New schools and churches and auditoriums will have to be erected to take care of the cultural, religious, and educational and recreational needs of these happy home builders.

Need I say to you that these must not be just houses—a place to sleep and shelter. I pray God that every house shall be truly a "home"—in the highest sense in which that holy word is used in reverence and affection. Marriages founded upon love; children in the home who are wanted; partnership in planning and loyalty in time of sickness and in trial. A real opportunity for jobs which return a day's wage, which enables each family of each veteran to live in dignified devotion to each other and in security from fear of want.

I know these bills do not cover the field of playgrounds, parks, and recreation for the people of our Nation nor of the families of the veterans who make use of the terms of such bill as we may pass. But, nevertheless, the building of these millions of homes eventually will give rise to additional local problems as relates to additional parks and playgrounds for the people who came to live in these further crowded areas.

Mr. Chairman, I hope that the real estate interests, the contractors and builders, the communities might all coordinate their planning and projects so that more open spaces for parks and playgrounds may be provided for the people of these new homes.

Recreation is not less important than education in terms of book learning. As a man spends his leisure time, he really is. What a man does when he has nothing to do, is a determining factor toward his success or failure. A nation which has a heart and soul and mind which recreates wholesomely and spontaneously is pretty sound.

I cannot here discuss at length the juvenile delinquency problem excepting to say that participation in recreation programs and games is one of the proven deterrents to juvenile waywardness. Adequate areas adequately used by the boys and girls in our crowded cities is a sure relief from more of our juvenile delinquency problem that we yet realize.

So, as we plan homes for our distinguished veterans, let us plan that the communities in which they make their homes with their families of children shall be contained with beautiful and available and adequate parks and playgrounds and created for human happiness. This is the ultimate of life—human happiness.

The CHAIRMAN. The gentleman from Wisconsin [Mr. MURRAY] is recognized.

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I surely was pleased that the Crawford amendment was adopted.

I have often wondered if we fully realized what has brought about this housing shortage in the cities. During the war some 5,000,000 people went from the rural areas to the cities. When they got to the cities they lived in houses where they could turn a little spigot and the water came out. You know most of them never had waterworks like that in their homes. They had always had to go some distance to a well and carry water with a bucket. In cold weather the water would slop over against their pants leg. They kind of liked this city living. Then they could turn on the electric light, too. You know only 40 percent of the farmers, even now, have electric lights in these areas. Not over 1 out of 10 have had homes with waterworks either. They liked these city conveniences. Most of them obtained good jobs, too, in the city. Then they found out they could work 40 hours a week. This was preferable to the 70 to 80 hours per week on the farm. They had been nursemaids to the cows, pigs, and what goes along with the farm, and oftentimes they had to get up in the middle of the night as well and attend to the lambing, calving, and so forth. They figured that the city was not a bad place to live in after all. Nobody ever thought of building them houses before. Now they want to build them houses and pay up to 90 percent of the cost.

We have a bill known as the Cooley bill which will come up before the Rules Committee shortly. This bill will help relieve the housing situation in the rural areas. There are thousands and thousands of vacant rural homes at the present time in many sections of the country. The gentleman from Ohio, the Hon. HARRY MCGREGOR, told me a couple of days ago that a mail carrier in his district wrote him that there were over 30 vacant farm homes on his one mail route. I know that many small farmers in the northern part of Michigan, Wisconsin, and Minnesota went to the city many years ago and boarded up the windows of their farm buildings. They started as soon as we began getting ready for war along in 1940 and 1941.

Mr. Chairman, I want to call attention to an editorial which appeared in yesterday's New York Times. I think this editorial gives a splendid picture of the needs of veterans. New York is the biggest city in the United States and is to be complimented on having a paper with such a wide scope of news for editorial comment. This editorial should be of interest to every person who is really sincerely interested in providing homes for the veterans of this country. It relates to the decentralization of industry and makes certain suggestions about providing homes for part-time farmers, for people who want to work in industry and who want to live on farms. The editorial is as follows:

PART-TIME FARMING

Surveys among returned veterans indicate a strong interest in part-time farms located on the main roads radiating from the centers of population. Between the two world wars the movement toward this way of living gained strong momentum. Following the depression years many families moved to small-acreage farms. Since 1942 the interest in semi-rural real estate has steadily increased. On a Nation-wide basis real estate agents report many sales of small farms to families intending to combine city work with country living.

The movement represents a new frontier on the American scene. Both economically and socially it represents a trend that has now assumed a definite place in the total economy. It is a part of the never-ceasing search for economic security that has particularly distinguished the last decade and a half. A small farm represents housing at moderate cost; in times of economic stress it is an assurance of a major part of the food supply.

Governmental and private agencies are encouraging the trend toward decentralization of population. Big business firms are making a start toward the decentralization of business. More and more it will be possible for workers to combine country living with vocations in factories and shops. Those contemplating the change from urban to rural or semi-rural environment and who have had no experience with country living will profit from the advice of those who have made a study of the new frontier. Their advice includes the careful checking of such points as transportation facilities, availability of electric power, overhead costs in buildings, and the type of soil. American society is always changing. It seems certain that part-time farming combined with a trade, service job, or profession will grow more important in the post-war years.

In conversation with many returned veterans I have found that the veterans above the average in age are particularly interested in a small farm and part-time farming.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

(Mr. MURDOCK asked and was given permission to revise and extend his remarks.)

Mr. MURDOCK. Mr. Chairman, in these few minutes at my disposal I shall not have time to touch on all of the controversial issues in this bill; therefore I will say nothing about ceilings on old homes or new homes, but I do want to refer to two other matters. Before I do so, I want to agree with the gentleman from Wisconsin and join him in saying that I will be glad to see the Crawford amendment adopted, because this splen-

did program should apply to rural areas as well as the urban areas.

Mr. Chairman, I have heard a good deal said about subsidies. Of course, I understand that such are not in the bill at present, but provisions for them will be offered as an amendment. A great many people are crying out against subsidies. Personally, I do not like the word "subsidy" too well myself, but they are permissible and sometimes necessary as a production incentive, and I do believe that if we go into an operation under the Wyatt program we are going to have to use production subsidies.

I can give an illustration of how production subsidies brought out adequate production in time of need at less cost. Let us take my own State of Arizona, for instance, and I am surely not going to curry favor with some people when I make this statement. Arizona produces copper. In the First World War Arizona produced more than any other State, and the price of copper went up and up, to 35 cents a pound. When this war loomed on the horizon I suggested to Mr. Leon Henderson that he let the price go up, and I said to him, "We will produce copper if you let the price go up." I now realize I was wrong in thus thinking of benefits to Arizona, and right in the well of the House here I confessed I made that statement to Leon Henderson. He said, "No. We are going to peg the price of copper at 12 cents a pound for low-cost producers. We know we cannot get enough copper at that price, but we are going to provide a subsidy in additional pay to high-cost producers," and 5 cents a pound on copper was granted, permitting it to go to 17 cents a pound for some. About the same thing applied to lead and zinc. I now realize that was best—it certainly was easier on the Treasury.

What was the result? We produced enough of those critical materials for the war, but that plan did not permit the producers of those materials to get 35 cents a pound for the copper when the Government needed it for war purposes. The Government paid from 12 cents to 17 cents a pound for the copper. Of course, there was some blundering done because human beings administered it.

Mr. Chairman, the Government of the United States had to have this material produced for war. The cost of the war was reduced by hundreds of millions of dollars by doing so. I know that certain people in my State did not get as much money as they would have gotten under the plan that prevailed during the First World War. We did save the Treasury of the United States a lot of money and we got the materials of war. This illustrates my view.

Now, we are fighting another war against lack of shelter at homes for these same men for whom at that time we were trying to produce guns and ammunition. This campaign is just as important as any in the field by our armed forces. The emergency is just as great. How are we going to get lumber, brick, mortar, and other construction material? I verily believe that we will have to provide production subsidies, and that is what I understand a premium plan to mean.

If anybody can show me any other way how you are going to get about seven or eight times the volume of peacetime building material without permitting the price to spiral and blowing the lid off and allowing this material to be sold at four or five times the cost of peacetime prices, I would like to have it shown to me.

I greatly favor this committee amendment with the additional Crawford amendment. It provides for channeling this material into the proper places. We must have such controls. We are going to build homes for veterans. I want somebody to have the power to say that lumber should go this way for homes and not that way for race tracks and theaters and other profit-making but less essential construction.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to the gentleman from Utah.

Mr. GRANGER. Premium payments work the same in the housing industry as they do in the copper industry, and as the gentleman stated, in my State copper sold at 12 cents a pound while Michigan was allowed to go to 17 to produce the amount of copper required.

Mr. MURDOCK. That was all right as it afforded reasonable profits for production of copper and that was good policy. Now I am willing to have the same principle applied to building materials for homes for veterans exactly as we used it to get metals for their weapons.

(Mr. HINSHAW asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

(Mr. RICH asked and was given permission to revise and extend his remarks.)

Mr. RICH. Mr. Chairman, the reason I asked for permission to follow my colleague who just spoke was because of the fact that he wanted to show you that by paying subsidies we furnished material during the war to an advantage of our Government. I want to say to you that the subsidy that we paid during the war is a bill now charged up in our national debt of two hundred and seventy-nine billion, all of which has to be paid by future generations, by the GI Joes who are coming back. They have to pay the subsidy which the gentleman just spoke about, and it is a millstone hanging around the necks of the people of this country of ours, and they ought to wake up to that fact and not believe in such bunk as is being told you on the floor of the House that subsidies are a good thing and in the past they have been a fine thing for this country of ours. It is all a matter of "bunk" in my judgment. The idea that we can pay subsidies in this housing program and that it is going to benefit this Nation of ours is another piece of bunk. It is only going to be passed on to our children and our children's children, and they will have to pay the bill because the Congress of the United States is not big enough now to do a real good job and do it in a business-like way by paying as we go. Why ask our children and our grandchildren to pay our debts? It's a crime committed

today on our posterity and I want none of it for mine.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The gentleman is a good businessman. Does he know of a good businessman who owns a factory who does not think that subsidies are demoralizing and causing the people to pad their costs and featherbed their factories?

Mr. RICH. The gentlewoman is absolutely right. I do not know of anybody who I believe to be a sound, sane businessman or woman that wants to pay subsidies, only the people that are not big enough to do good business and want to pass the debt on to their children. It is about the poorest piece of bunk that has ever come upon the American people to pay subsidies. Every subsidy that we have granted and every one you are granting today in agriculture and in all other industries of this country, is a bill laid up for future generations to wipe out if they are able to do it. That is one thing that is leading this country of ours on the road to bankruptcy, and unless we stop it now we are going to find out what a terrible situation we are in. You Members of Congress who voted for subsidies will go down in history as a band of mighty poor businessmen; yes, as mighty unsound business Congressmen. Your children and grandchildren and great-grandchildren will not thank you for creating a great debt for them to pay.

It is our business to pay our own way; not run up our debt to the greatest heights ever dreamed of by the most fanatical of our radical people. It is unethical, unsound, and unheard of 13 years ago.

Miss SUMNER of Illinois. Does the gentleman know of any businessman in the building industry or anyone in any other business who owns a factory who thinks that subsidies would increase production the way a moderate price increase would?

Mr. RICH. No. I do not know of one. Even the farmers of this country are against it. The farmers some day will wake up and find they have been paying for subsidies in the price of agricultural products, instead of increasing the prices of the commodities they sell. Some day subsidies will have to stop, and then the poor farmer will be in the ditch because he will be unable to carry on, because they have not got the prices of commodities up where they ought to have them. That will be the situation of the poor farmer. Everybody are bound to suffer by subsidy payments, just remember that.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I do not have time to yield. I know I cannot convince you. I want to talk about some more Government regulations and strangulations that you fellows are trying to put on business. If you would just let the businessmen of this country, contractors, carpenters, and the people who want to build houses do as they have done in years gone by, go out and buy materials and build

houses, they would do 10 times more in building houses for GI Joe than you can do by a lot of your crack pot legislation. I think this bill is nothing but crack-pot legislation. It is only trying to fool GI Joe. It is doing more fooling in this country than it is good. It is about time you stopped it. If you do not stop it, you are going to find out that you will wreck this country. It is time to turn around. Irresponsibility, regulation, and regimentation. You are headed for communism and have been traveling that road fast. Get back on the road of Americanism—freedom, liberty, independence, work, earn, save, produce. Those are the things that built up America. Keep on building, keep on serving, keep on America, keeping on like our forefathers started us to preserve our Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, GI Joe is no dumbbell. You cannot fool GI Joe. You will find that out before this is over.

I got a wire today from GI Joe. This is from Birmingham:

Thousands here will kick pants off Congressmen voting against housing bill for veterans. If brigand lobby masquerading as realtors muscles over this veterans high-jacking get ready for trouble in Washington. Local realtors blandly offer veterans houses for sale for \$10,500 which originally cost \$4,500.

JOHN D. FROST and DAVID WELLS.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Arizona.

Mr. MURDOCK. The gentleman from Pennsylvania a moment ago said we, in consenting to production subsidies were unloading the national debt onto posterity. That is true of all the war debt regardless of its amount. I wonder if the gentleman from Pennsylvania would like to have had the cost of this war doubled or trebled and then unloaded onto posterity. Without the use of wartime subsidies to increase production we would have saddled greater debt on veterans and posterity.

Mr. PATRICK. I do not yield further, Mr. Chairman.

Mr. RICH. Mr. Chairman, will the gentleman yield? I would like to answer that.

Mr. PATRICK. I wish the gentleman could.

Mr. RICH. It can be answered very easily.

Mr. PATRICK. I know it could, and I know the gentleman will do it, too. The only trouble is that the gentleman would give the wrong answer. I will not yield to the gentleman. I am really doing him a favor when I do not yield.

I have here a bunch of telegrams that I mentioned a while ago raving received. The Alabama Branch, Associated General Contractors, on February 22 sent me a telegram saying:

This bill would doubtless have a detrimental effect on the construction industry. We urgently ask you to have action on this bill deferred until such time as this association can make a thorough study of its provisions and make definite recommendations.

It is signed by the Alabama branch, Associated General Contractors, J. B. Rawls, executive secretary. They are fine people, but naturally they are interested in protecting and promoting their business.

Another wire is from W. R. Dunn, a contractor, and a fine man. It is along the same line. Another is from the Daniel Construction Co. They are fine people.

I also have a letter from a Birmingham man whose name I will not mention because I do not want to do him an injustice. It is dated February 23, 1946.

MY DEAR CONGRESSMAN: It is quite all right to remember the soldiers when it can be done without detriment to the rest of your constituents. However, the soldiers are, many of them, going to want the world with a fence around it just as they did after the other World War.

We have had our share of headaches all through the war and now that the war is over do not cut off the first opportunity contractors and builders have had to make a little real money. Get the Patman veterans' housing bill back into committee till we can get proper information together to oppose it as we shall have to do.

It is the same effort to place legislation back in committee where it will sleep the sleep of death.

Let us do a little figuring. Suppose there are 30,000 contractors and that a little big-time money, a little real money, is what they are asking for. Say that little real money is only \$50,000 per contractor. There are 135,000,000 people in this country that they have to deal with. Figuring on 30,000 that would be \$1,500,000,000, but let us split that and say \$750,000,000. By the time you pass it all around, that is that little money they are seeking to get at the expense of our returned veterans. It would be at least that. What is the use for us to learn what we need to do unless we have the moral courage to do it? We found the trouble. Now since to tackle it offends some of our business friends shall we abandon camp? No.

(Mr. PATRICK asked and was given permission to revise and extend his remarks.)

[Mr. HOFFMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CARNAHAN].

(Mr. CARNAHAN asked and was given permission to revise and extend his remarks.)

Mr. CARNAHAN. Mr. Chairman, I have listened rather attentively during the last 4 days, as many Members have, to the debate. I have appreciated the debate from all angles. I certainly approach the problem with an open mind.

Aside from the personalities that have been injected, it seems to me we might say the debate has settled down to offering two rather widely differing solutions to this housing problem with which we are confronted. One is that we abolish all controls and just let the problem take care of itself. I have not heard any argument on that side which has convinced me that we should follow such a course. I cannot go along with that.

Then there is the argument that this Congress is vested with the responsibility, which it should not attempt to dodge, to enact some type of legislation which would attempt to solve the problem with which we are confronted.

The legislation we are considering, H. R. 4761, it seems to me, is designed to encourage the production of building materials. Certainly that should be done. While I am not strong for subsidies, I do not think that subsidies are more justifiable in this instance than in any other instance in which the Congress has authorized subsidies. If subsidies will help to provide homes for our veterans I must support such subsidies.

Another thing this legislation is attempting to do is to channel building materials into the construction of residential units. Certainly that should be done. The legislation is designed to see that what buildings are erected will be sold at reasonable prices which will bring homes within reach of the veteran. I go along with these purposes of this legislation.

I have had considerable correspondence from my constituents, as most of you have. Some of my lumber people are very much disturbed and believe that the cost-price relationship is the trouble. They think that is, at least, the trouble so far as the production of lumber is concerned.

I had occasion to take this up with the Office of Price Administration, and I would like to quote a letter which I have received from Mr. Paul Porter, dated March 1. It is regarding the cost-price relationship, and I quote it:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., March 1, 1946.
The Honorable A. S. J. CARNAHAN,
House of Representatives,
Washington, D. C.

DEAR MR. CARNAHAN: This will acknowledge your letter of February 12, 1946, enclosing copy of letter from Mr. Maurice Cooper of Cooper Furniture & Lumber Co., Steelville, Mo., concerning the critical condition of the lumber situation. Your constituent indicates that in his opinion the cost-price relationship is retarding production.

Lumber production was vital to the war effort and it is equally vital to reconversion and the housing program. Realizing this, the Office of Price Administration has been continually conscious of the necessity to not have price stand in the way of production, and to have prices stimulate production if possible.

The quarterly reports of the Forest Service on factors affecting lumber production have consistently stated, from the fourth quarter of 1942 on, that labor shortage was the primary obstacle to production, the shortage of equipment and supplies the second most serious obstacle, and the weather, periodically, a third major obstacle. According to these reports, the cost-price relationship has not been more than 5 percent of the total obstacles at any time. In the second quarter of 1944, for instance, labor shortage comprised 65 percent of all obstacles, equipment shortage 10 percent, weather 20 percent, and the cost-price relationship another 5 percent of all difficulties.

The ineffectiveness of price increases as a means of maintaining lumber production in the face of a declining labor supply is clearly illustrated in the following table which compares lumber production, wholesale prices and employment in sawmills and logging camps from 1939 through 1945:

Lumber production, prices, and employment in the United States, 1939-45¹

Year	Production		Wholesale prices, index (August 1939=100)	Employment	
	Footage (billion feet board measure)	Index (1939=100)		Wage earners (in thousands)	Index (1939=100)
1939----	28.6	100.0	103.4	288.0	100.0
1940----	31.2	109.1	114.2	299.0	103.8
1941----	36.5	127.6	136.0	317.7	110.3
1942----	36.3	126.9	147.4	303.3	105.3
1943----	34.3	119.9	156.8	259.5	90.1
1944----	32.6	114.0	170.1	232.5	80.7
1945----	27.3	95.5	172.1	211.4	73.4

¹ Source: Production, U. S. Forest Service; Wholesale Prices and Employment, U. S. Bureau of Labor Statistics.

² Estimated.

³ Average of first 11 months.

At the present time we are reexamining our lumber price policy in the light of conditions since VJ-day to determine what action, if any, can be helpful to the new housing program without impairing our general objective of stabilization.

Sincerely,

PAUL PORTER.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. JENSEN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JENSEN:

On page 11, line 15, after the words "farm buildings" in the Crawford amendment, insert the words "and business buildings."

On page 11, line 24, after the words "farm buildings" in the Crawford amendment, insert "and business buildings."

Mr. JENSEN. Mr. Chairman, I do not believe the gentleman from Kentucky, chairman of the Committee on Banking and Currency, heard the amendment read. I would like to have the gentleman listen to the reading of the amendment. I ask that the Clerk again read my amendment.

The Clerk again reported the amendment as above recorded.

Mr. SPENCE. I do not believe the committee can agree to that, for that would violate the plain purpose of the bill. This is a bill for the construction of homes. If we permit the diversion of materials for other purposes, the homes will not get built. Provision is made in the bill for allocations to essential building operations. There is no doubt of that.

Mr. JENSEN. Mr. Chairman, my purpose in offering this amendment is very clear. There are many veterans who are anxious to get material to build small buildings in which they can start a business. Generally speaking, they do not need a large building, as I stated the other day when I said I would offer this amendment. During my visit home last fall I talked to several veterans who wanted to start a little business. They needed a frame building, 12, 16, or 20 feet wide by 24 or 32 feet long in which they could start a little business of their choice. Some of those veterans had their own homes or had a place to live, but they were completely out of luck in getting a building to start a little business.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. CUNNINGHAM. Under the loan title of the GI bill, loans are provided for veterans to go into business. Without the adoption of the gentleman's amendment the loan provision of the GI bill will be further restricted by this bill.

Mr. JENSEN. I thank the gentleman for his contribution; he is exactly right, and no Member of this House has done as much to perfect the GI bill as has the gentleman from Iowa [Mr. CUNNINGHAM].

I think this is a very important amendment and I plead for its passage.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. PATRICK. I remember that a boy went out in the yard one day and found a yellow jacket's nest. There were no yellow jackets on the outside but he heard a loud humming on the inside, so he plugged up the opening. Then along came a yellow jacket and wanted to get in. The boy decided he would open it just enough to let that yellow jacket in with the result that all the rest came out and covered him. And so with this amendment. If you leave just one little loophole there through which to siphon off building material it will all go through that funnel.

Mr. JENSEN. That certainly is far-fetched.

Mr. PATRICK. That is not half as far-fetched as the gentleman may think.

Mr. JENSEN. Yes, it is. The gentleman has right in his own district a lot of veterans who for lack of building materials cannot get started in business. Not only would this help them get started in business but also it would help to give employment to their buddies and others.

I sincerely trust this amendment is adopted.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The gentleman from Oklahoma [Mr. STEWART] is recognized for 4 minutes.

Mr. STEWART. Mr. Chairman, I was in hopes that I could receive the information I was after without having to take the floor.

I would like to know if the people in my section who process their own timber will be penalized under this bill. I would like for the Committee to listen to this as it is information I am after. I would like to know if the GI's who produce timber, those who produce cement, those who produce bricks, tile, and other essential building materials in Oklahoma can get as good a break after the passage of this bill as they can now. Will Oklahomans who produce all these materials be forced to sell them to the dealers and then have to buy them back at a higher price than they received for them? Will GI's who own their own timber have to sell it to be channeled into a central pool and distributed throughout the United States without regard to where it was manufactured.

At this time we can build a home out my way for \$2,500 that is equal in all respects to a \$5,000 house in Washington. Will we still be able to do this if this bill becomes a law?

The only difference between the gentleman from Texas [Mr. PATMAN] and me is that I happen to have more timber in my district than he has in his, and possibly he does not see the angle that is puzzling me. There is enough timber in my district to build every veteran in Oklahoma a home, and if this material has to be channeled into one big pool and siphoned out per capita, it occurs to me the man who lives in the land of plenty insofar as building materials, is really penalized.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. STEWART. I yield to the gentleman from Iowa.

Mr. JENSEN. Unless the amendment I have offered is adopted they will not be able to use any of that lumber to build a little business house, will they?

Mr. STEWART. I am rather of the opinion that the gentleman is right.

Mr. JENSEN. Absolutely.

Mr. STEWART. It is my desire to help the veterans build homes but I want to be careful about saddling them with regulations, red tape, and having to get approval from Federal authority, if it means that my constituents will have to pay more for homes than they do now.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. RAMEY].

(Mr. RAMEY asked and was given permission to revise and extend his remarks.)

Mr. RAMEY. Mr. Chairman, may I have the attention of the Members of the majority—the Democrats who are in control? Not only of the votes here but propaganda everywhere. I quote from three great Democrats. One of the greatest statements the late President Roosevelt ever uttered was:

Freedom of speech means nothing if you have nothing to say.

About 1 o'clock this morning I came upon a statement that sounded like Coolidge, but it comes from Woodrow Wilson:

You are the master of everything you do not say. You are the slave of everything you do say. (Starling of the White House.)

I am going to quote from another distinguished Democrat, the majority leader of this House the gentleman from Massachusetts [Mr. McCORMACK] who once said in complimenting me:

A philosopher is a man who seeks the truth.

In seeking the truth we should remember that truth is that which conforms to the facts. Real truth comes from within.

A week ago last Saturday at my home in Toledo, Ohio, there were about 20 men and 1 woman, all interested in this bill. Most of them were veterans of one war or the other. One of them, Walter Schmidt, was a very prominent Democrat, also a veteran. They stated, "We here who live with the veterans themselves know we can build their homes if we get the material. That is what we are saying to you, Mr. Congressman." These were veteran builders themselves and that was their statement. They stated further, "We do not believe the extra money should be spent, taxpayers'

money, for folks inspecting, reinspecting, and other things."

I agree with the gentleman from Alabama who said the veterans will not be fooled. When any man seeks to fool anybody he fools only himself.

Contrary to their position I received this morning quite a few telegrams that say this: "If you want votes, vote for the Patman bill." Did something happen last night to cause those telegrams to be sent? I want to say here, right now, that I am only interested in doing what is right. I cannot believe, in considering this bill, that any person who has been chosen to this honorable body is thinking more about votes than in doing what is right regardless of the consequences. I hope these telegrams were not sent at the request of some partisan leader in control of the propaganda vehicles of the country who is exploiting the veteran, while at the same time he is building another bureau under the subterfuge: "Get the wires busy; use the ghost writer stuff and tell them to blast their Congressmen."

We are here to know the truth before acting. Our minds are open. We will act as the truth unfolds. As truth seekers we can discern requests which are unselfish and in good faith from pressure from those misled by exploiters.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. LYNDON B. JOHNSON].

(Mr. LYNDON B. JOHNSON asked and was given permission to revise and extend his remarks.)

Mr. LYNDON B. JOHNSON. Mr. Chairman, I rarely ask this body to indulge me, but the housing situation is so serious in my section of Texas that I feel fully justified in taking your time this afternoon to talk to you about it. I received two wires this morning which probably tell better than I can the conditions that confront the heroes of this war—those who have returned to accept the subsidies provided by the GI bill and returned to their classrooms. One wire sent out at 7 p. m. Sunday reads as follows:

Two hundred and fifty-six veterans sleeping on cots in Gregory Gymnasium, others unable to register in university. Urge you help get appropriation for Wyatt veteran emergency housing bill for premium payments and for price ceilings.

Signed, Austin Chapter No. 1, American Veterans Committee, Fred Schmidt, Chairman.

Another wire reads:

Urge you to vote for and support veterans housing plan for the veteran who fought in the fox hole and who made it possible for us Americans to continue to exercise our right to vote.

That wire is signed by the Commander of Capitol City Post, No. 316, American Legion, Austin, Tex., Omar Barker, who holds the Purple Heart and many other decorations from the First World War.

I think if we are to help those men who need houses, this Congress must do one thing. That is, to take action that will insure the production of needed building materials. All of the materials that are now being produced are being used. I understand that the housing

permits for January have set an all time record. But under Mr. Wyatt's program we must produce just eight times—listen to me, eight times—as much building material next year as we produced last year if we are to meet our housing goal.

What do we have to do in order to get this material produced? I think the Congress is in general agreement that the reason for the lack of production or the slow-down in production is due to the lack of profit incentive. Either we must give the people more profit by increasing the price of building materials or we must give them that profit by premium payments. How do you analyze that? On the one hand the premium-payment amendment to this bill proposes that you make \$600,000,000 available for Government payments. That is a little over \$200 per home for each home that is scheduled to be built. That is one alternative you have.

There has been much talk about subsidies and about giving the veteran a \$200 subsidy or premium payment on his home; \$200 a home for our heroes who have returned and have no roof to sleep under. So what?

Yes, by premium payments the total Government cost will be less than \$600,000,000. By price-increase payments the total cost will be nearer \$3,000,000,000. It is not difficult for me to make a choice between \$600,000,000 and \$3,000,000,000. I believe the Congress is as obligated to get roofs over the heads of returning veterans as we were to get tents for them. I believe if we can provide sleeping accommodations for them at Normandy, Okinawa, and Rome, that we can use that same imagination and ingenuity to provide roofs for them in Manhattan, central Texas, and southern California.

Our returning heroes want rooms, not reasons. They want inclosures, not excuses. They want houses, not just hopes.

To get houses you must get materials. One way to get them costs six hundred million. The other way it costs three billion. Is it really difficult to make a decision?

If you try to get increased production by price raises exclusively, the best estimate we are able to obtain is not that it will cost \$200 per home, but that it will cost the veteran nearer \$1,000 per home in increased costs on building materials. So on the one hand you have the Government spending \$200 and on the other hand you have the veteran spending \$1,000. I think the former is the lesser of the two evils.

Oh, yes; they drag this subsidy scare across the floor. They talk about the evils of premium payments. Nobody likes subsidies—nobody wants premium payments except as a lesser of evils.

But who wants our veterans sleeping in streets? Who wants them stretched out in railroad stations? Who takes pride in seeing them live in Quonset huts and doze in hotel lobbies?

Congress has provided, directly or indirectly, premium payments for meat and bread and milk and oil and copper and ships. Now we quibble about premium payments for homes—veterans' homes, returned heroes' homes. Homes they

fought to preserve but returned unable to find.

Sure, there will be red tape as a result of this bill. Bureaucrats will make a complicated problem more complicated. But homes will be built with the bill. They will not be built without it.

Mr. ZIMMERMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[Mr. ZIMMERMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. JENSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. Mr. Chairman, there is an amendment pending. The gentlemen who preceded me have not talked to the amendment. I wonder if I am out of order in asking that for the remainder of the time Members who have the floor speak on my amendment.

The CHAIRMAN. A committee amendment is also pending. Everybody will proceed in order.

The Chair recognizes the gentleman from Texas [Mr. PATMAN] to close debate.

MISUNDERSTANDING ABOUT SECTION

Mr. PATMAN. Mr. Chairman, I think there is a misunderstanding about this section, and I think if the gentleman from Iowa will study subsections (a) and (b) he will discover that his amendment is not necessary, and that if he were to succeed in placing the amendment where he suggested it be placed it will result in special consideration being given to the very type of buildings that we think should be deferred until the veterans are properly housed.

I invite the Committee's attention to this language on page 11, and remember that this does not channel all materials, just those for veterans' housing:

Whenever in the judgment of the Director there is a shortage in the supply of any material or of any facilities suitable for the construction of housing accommodations he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title.

That does not compel him to freeze all materials, just those for veterans' housing. That refers to veterans.

In issuing any regulation or order allocating or establishing priorities for the delivery of any material or facilities under this section, the Director shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, and (2) satisfying the housing requirements of veterans of World War II and their immediate families.

I insist that when this bill was under consideration by the committee the question came up, suppose a person who is not a veteran should lose his house by a fire, would he be permitted to get

materials to rebuild that house? Certainly he would. Suppose he lost it by flood or any other means? The Director would have the power to permit materials to be allocated for that purpose. He would have the power to allocate materials for essential buildings of all kinds. The gentleman is asking to include business buildings in that part relating to special consideration.

Mr. JENSEN. That is exactly what I want.

Mr. PATMAN. That is asking too much. They are not entitled to special consideration ahead of the housing of veterans of World War II and their immediate families. They are entitled to consideration and they will get it under section (a) but they are not entitled to be placed in the same class as veterans of World War II and their families who want housing. If we place words in the bill to give special consideration to business buildings, as suggested by the gentleman, then the question arises: What are business buildings? Special consideration would have to be given to race tracks. That is a business building and would be included under the terms of the amendment and would be entitled to special consideration. The saloon is a business building and it would come under the amendment and special consideration would have to be given to saloons. Amusement houses would come under it because that is a business building. So the gentleman is asking for something that I do not believe he himself wants. He does not want to place these nonessential buildings, such as race tracks, saloons, amusement places, and honky-tonks and things like that, in the same category to be given the same consideration as housing for World War II and their families.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JENSEN. The gentleman is trying to put me in a bad light.

Mr. PATMAN. No, I am not. I am just telling what the gentleman's amendment means.

Mr. JENSEN. Certainly if the expediter got any authority at all, and he has all the authority in the world under this bill, surely he would not allow the building of unnecessary buildings.

Mr. PATMAN. But your amendment provides that special consideration shall be given to such buildings. If you leave the bill as it is, he will go ahead and allocate materials where they are most needed. If a building is necessary, he will authorize the materials to be allocated for such building. But you are asking to place all these different non-essential buildings in the same category with homes for veterans who need housing to shelter themselves and their families. I do not believe the gentleman wants to do that.

Mr. JENSEN. The gentleman knows exactly what I am trying to do. I am trying to give the veterans who want a little lumber and a little building material to build a place of business a chance to do it.

Mr. PATMAN. That is separate and distinct from this matter. Furthermore, you are not confining it to veterans alone. The person who wants to build a saloon, race track, or amusement house, may be a nonveteran, and you are saying that these people should be given special consideration.

Mr. Chairman, the amendment ought to be defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired.

The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN] to the committee amendment.

The amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read, as follows:

Amendment offered by Mr. HOBBS, to the committee amendment: On page 12, after line 2, insert the following:

"(c) The provisions of this section shall not be construed as in any way affecting the power of the President to assign priorities or to allocate any materials or facilities, under the provisions of subsection (a) of section 2 of the act of June 28, 1940, entitled 'An act to expedite national defense, and for other purposes, as amended.'"

Mr. SPENCE. Mr. Chairman, I believe the committee has no objection to that amendment.

The amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 12, line 3, strike out all of section 706 from line 3 down to and including line 13.

Mr. MONRONEY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 12, line 3, strike out line 3 through line 13 and insert:

"SEC. 706. (a) Whenever the Director determines that it is necessary or desirable to employ premium payments for the purpose of increasing the supply of conventional and new types of building materials, such premium payments shall be made by the Reconstruction Finance Corporation with respect to such materials, at such times, in such amounts, and on such terms and conditions as may be determined by the Director: *Provided*, That such payment shall be limited to an amount not to exceed \$600,000,000.

"The Director, in determining upon the particular uses of premium payments as authorized in this section, shall take into consideration, among other things, the extent to which other means of increasing materials would not be as effective in adequately increasing the supply of such materials or would be likely to result in increased sales or rental prices of the finished housing accommodations constructed with the use of such materials.

"(b) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, shall not, during the life of this title, apply to premium payments by the Reconstruction Finance Corporation under this section provided that nothing herein shall be construed to affect the provisions of Public Law 88 of the Seventy-ninth Congress."

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, this is the much debated and discussed amendment on subsidies, or production incentives, or whatever else you choose to call it. I say that either one of the titles would be equally as descriptive. I propose this amendment with the full support of Mr. Wilson Wyatt, and others, who have worked on the Wyatt housing program for veterans. Most of the men who have studied the goal of obtaining 1,200,000 homes per year agree that it is futile to undertake that very desirable goal unless we do something to increase the production of materials that go into these homes.

NEED MORE MATERIALS

Obviously, there are many, many bottlenecks that can be resolved and production increased by selective lifting of some present price ceilings, but no matter how much you lift the present price ceilings you will still wind up down the road at the end of the year without sufficient materials to give you the goal of 1,200,000 homes a year that are needed tonight by the returning veterans of this war.

This program envisages not only paying premium payments to high-cost producers to get the added production that they can bring into the picture, but also provides that premium payments can be used for the introduction of new building materials, many of which have never been used in the building industry. It would be futile to assume that there is enough supply of critical building materials on hand as of this time to give us anywhere near the goal we hope to have in providing housing for the returning servicemen.

SIMILAR TO COPPER PROGRAM

This program of production incentives is similar to the program that worked well during the war. The machinery to provide for these premium payments will be the same machinery that provided premium payments for the production of critical and strategic materials, such as copper, lead, zinc, and other items that were so vitally needed.

If you will check the record of the results of those premium payments, you will find that they not only secured us great additional production in those lines, but also enabled the price line to be held at a level basis for the low-cost producers, and still made it possible for the high-cost producer to get his full volume of production at a fair profit.

ENCOURAGE NEW INDUSTRY

There is another purpose that is necessary in the use of subsidies or premium payments or whatever you want to call them, and that is to enable the Housing Stabilizer or Expediter to contract with a man for additional production of a quantity of materials as a possible substitute for short conventional building materials.

If he has the right to use this money, and he is authorized to make a contract for a hundred or two hundred thousand units that have never been produced before by a new manufacturer, that manu-

facturer can go ahead with the reasonable understanding and knowledge that he is not going to take a shot in the dark on an entirely new line of business and lose his shirt.

Without that help, without that assurance behind a new contract, that he is going to be able to produce a new item within his costs you are not going to get new producers into the picture. If you do not get new producers, you are not going to get the vast volume of material that you need.

My distinguished friend, the gentleman from Michigan [Mr. Wolcott] will argue that authority for such subsidies is already in the law; that under the War Powers Act, under the Price Control Act, under the wartime measures for the expediting of critical strategic materials, the Housing Expediter or the President has the right to use these incentive payments.

DUTY IS ON CONGRESS

I believe firmly in the right of Congress—in the duty of Congress, if you please—to say what we mean and mean what we say; and if we want these subsidies used, if we want to put \$600,000,000 into this effort to get new housing materials, then the Members should have the courage and the nerve to stand here on this floor and vote them in.

Further than that, they ought to put a ceiling on the amount of subsidies that can be used. There is no ceiling now on total amounts except a vague ceiling in the RFC bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Oklahoma may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MONRONEY. Mr. Chairman, I believe the gentleman from Michigan will agree that under a study of this program, incentive payments are going to be necessary if we are going to reach the goal. When I interrogated him here on the first day of the debate to ask him whether he was in favor of incentive payments or not, as I recall his answer it was that they had the authority in the law to do that now.

If they have the authority in the law to do that now—and I do not believe they have, and the President, in a letter to the Speaker of the House said that he did not consider that he had that authority, and Mr. Wyatt does not consider that he has that authority—then why should Congress duck responsibility for this important decision? I want the Congress to speak on this; I want the Members to say whether we intend to provide this \$600,000,000 for the additional material that we must have.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BARRY. If we do not have subsidy payments it means that it will not be possible to produce houses within the price range of the veterans' pocketbooks.

Mr. MONRONEY. That is very true. I do not think it will be possible to pro-

duce houses within the range of the veterans' present purchasing power; nor do I believe it will be possible to produce over 300,000 or 400,000 houses regardless of the veterans' purchasing power.

WOULD COST THE VETERAN MORE

Most of the argument on the floor has been that if we would just do something about OPA everything would be all right. Mr. Chairman, you can do something about OPA; you can twist their arms, or you can knock their ears down, but when you do it there is always one answer that you get, and that is that the house is going to cost the veteran that many more dollars.

My contractors in Oklahoma City—and I think they are pretty smart men because they have built a tremendous amount of good houses—tell me that their finished houses costs have risen 60 percent above the 1940 figures.

Obviously, if we raise the ceilings further on lumber and materials prices even more the cost of the veteran's home is going up further. I am willing that we break a few more ceilings, I am willing to put the price up higher on lumber and critical materials if necessary to get the vast volume of low-cost producers into the picture. But I am not willing to give an exorbitant price to the low cost producer that has the most production, that has millions of acres of timber standing, machinery and other advantages, that is already a very profitable concern.

I am not willing to put that giant industry's price up high enough to bring into production all of the little handicapped high cost producers that is exactly the issue on the use of subsidies.

The large producers of the producers' council want price ceilings fixed so high that it will cover 100 percent of all production. I say you can raise price ceilings a little and get about 70 or 80 percent of the large producers taken care of and then you can bring the high-cost production into the field through the judicious use of subsidies. Thus you do not bid in this marginal production with sky-high ceilings to the low-cost producer.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BREHM. The gentleman indicated that new-type housing materials would not be produced by industry unless subsidies were paid. I ask the gentleman, Did our early pioneers in industry receive subsidies in their effort which resulted in America becoming the greatest Nation on earth? No subsidies were paid to those early pioneers, and yet we have outstripped the world in both new and old industrial production and material.

Mr. MONRONEY. The two situations are not at all alike. The early settlers had no World War II dislocations to contend with, they did not have 11,000,000 veterans returning from the seven seas without homes to live in, and they did not have the complex economy that we have. They were not faced with the need of 2,700,000 homes we need at this minute.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. JENSEN. The gentleman does not contend we are going to get materials to build homes, especially lumber, when thousands of mills have been closed because they could not meet costs of production under the OPA ceiling price. Certainly the gentleman knows we cannot build houses without materials.

Mr. MONRONEY. The gentleman has talked for 4 days in favor of high prices on everything that goes into a house.

Mr. JENSEN. The gentleman knows that he is bringing in high prices with this kind of stuff. The only way to get low prices is to get production, yet the gentleman stands up here and argues something that does not make sense. What we are trying to do is to make it possible for a bunch of fellows to come in here and build tin houses and glass cages that are not fit for human beings to live in and pay them a great subsidy for doing that, thereby stifling the normal building trade.

Mr. MONRONEY. Let me ask the gentleman one question: Is he in favor of continuance of the OPA?

Mr. JENSEN. I am in favor of certain controls, but I am not in favor of the OPA doing things that are stopping production and stopping the building of houses for veterans. That is what they are doing.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. BARDEN. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. WOLCOTT. I yield to the gentleman from North Carolina.

Mr. BARDEN. The gentleman is quite familiar with the OPA set-up, I am sure, and I would like to know if under the present arrangement the OPA does not require that 40 percent of the lumber of a mill be held for veterans?

Mr. WOLCOTT. I think that regulation is still in effect. I am not positive about that.

Mr. BARDEN. They already control the lumber?

Mr. WOLCOTT. Yes.

Mr. BARDEN. If they have the power to funnel 40 percent, they have the power to funnel 100 percent; have they not?

Mr. WOLCOTT. I understand so and the industry itself is giving veterans preference where they can get the materials to do so.

Mr. BARDEN. Our biggest trouble is the fact that we only have about 40 percent output of lumber.

Mr. WOLCOTT. That is right. That is the key to the whole situation.

Mr. Chairman, I was handed some days ago a proposed amendment on subsidies which I have analyzed very carefully and which the gentleman from Oklahoma has introduced as a substitute for the committee action in striking out subsidies.

First, let us have very definitely in mind that during the hearings on the housing bill now before us the need for subsidies to obtain the maximum amount of production was never stressed. As a matter of fact, Mr. Wyatt when appearing before the committee, as well as Mr. Small and Mr. Snyder, never stressed the need for subsidy payments to enable the

production of the maximum amount of material. They were all in agreement, however, that the shortage of material was the bottleneck, and they were all in agreement that the labor disputes, the fact that prices were not adjusted to absorb increases in production costs, especially incident to the increase in wages, were the real bottleneck in the production of building materials. Mr. Wyatt, testifying before the committee, and I think he was very honest and sincere in his testimony, did stress ceilings. He stressed priorities and allocations, and he said that those were extremely critical. Mr. Wyatt, on page 431 of the hearings, said:

In other words, it seems to me that the points as to ceilings and priorities and allocations are extremely essential, extremely critical.

You will notice all the way through his testimony he stressed ceilings, allocations, priorities, and veterans' preference as being extremely essential and critical. Nowhere in his testimony all the way through the hearings does he stress the necessity for subsidies.

In consequence, the committee—I do not remember what the vote was, but it was overwhelming in committee—struck the subsidies out of the bill. He could not or did not, at least, present a subsidy program which was satisfactory to himself at that time, and the committee, in response to the coolness with which all of these gentlemen whom I have mentioned approached the subject of subsidies, struck it from the bill. Two hours after that was done I was in a conference and I had a preview of Mr. Wyatt's program in which there was the provision for subsidies or requests for subsidies. Later on an amendment to the committee bill was submitted. Have in mind, that the committee bill was reported out about 2 hours before Mr. Wyatt presented his program and about 4 hours before the President submitted Mr. Wyatt's program to the country, and nowhere in the committee hearings had Mr. Wyatt stressed the necessity for subsidies. If subsidies had been an essential and critical part of Mr. Wyatt's proposal, the President has had it within his power for over 3 years to pay subsidies.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Section 2 (e) of the Price Control Act, Public Law 333, Seventy-eighth Congress, provides that:

Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary—or make subsidy payments to domestic producers of such commodity—to obtain the maximum necessary production thereof.

Then the act goes on to say that if the President determines that any particular commodity is a strategic and critical material, it will follow ipso facto that the RFC is given authorization to pay the subsidy.

The only restriction against that is the so-called Taft amendment, which provides that if the subsidy is paid, the money must be appropriated, and the Taft amendment ends up with this language:

And appropriations for such purpose are hereby authorized to be made.

So the President has had since the enactment of the Price Control Act in 1942 authority to pay subsidies to obtain the maximum amount of material. If it was the important, necessary, essential part of this program that Mr. Wyatt be authorized to pay subsidies, then, of course, somebody has been very lax in not having gotten this program started months ago. The President had only to send down a supplemental budget, and the Committee on Appropriations, I am sure, would have given consideration to the request for an appropriation to pay either through Mr. Wyatt or through the RFC sufficient moneys to have done the job, and we would have been able to write a formula under which it should be paid. At the present time we do not know Mr. Wyatt's program on subsidies. We do not know how much he is going to use or has to use for soil pipe, brick, or lumber, or anything else, but we do know that under the present amendment offered by the Gentleman from Oklahoma, Mr. Wyatt is given \$600,000,000 to spend just as he pleases, notwithstanding any other provision of law.

The amendment provides that whenever the Director feels that it is necessary or desirable to employ premium payments for the purpose of increasing the supply of conventional and new types of building materials, such premium payments shall be made by the Reconstruction Finance Corporation. In other words, Mr. Wyatt, under this amendment, would have the authority to direct the Reconstruction Finance Corporation, which is responsible for the funds which we have given to it, to pay subsidies in any form, and there would be no brake whatsoever and no check whatsoever on whether Mr. Wyatt or any other administrator has adhered to the standards or qualifications which we set up in respect to the payment of those subsidies. The Reconstruction Finance Corporation would have no choice but to follow that directive.

I do not believe that until we have had an opportunity to write some formulas, to write some standards under which this single individual can pay subsidies, we should do it in this manner, for the reasons I have just noted. There were no hearings before the Committee on Banking and Currency on the payment of subsidies, and no action taken excepting to strike it out of the bill because of the coolness Mr. Wyatt and the others exhibited toward subsidies. The matter should be given consideration. We are dealing with the people's money, we are dealing with the national debt, we are dealing with inflation, we are dealing

with all of these influences in considering the payment of \$600,000,000; therefore, we should know where we are going. That is why I have not included subsidies in my substitute. The President today or yesterday or a week ago could have sent down a supplemental Budget to the Congress, and the Committee on Appropriations could have met and said, "Mr. Wyatt, what is your program? We want to give you sufficient to get maximum production. You make out your case and show us where it is necessary to pay subsidies and we will give consideration to authorizing enough money to pay them, and we will set up the formulas by which you may be guided in that respect."

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I think we have a very good bill if we can eliminate this particular amendment. I think we are carrying out 90 percent of the desire of Mr. Wyatt if we eliminate this amendment. If we do that, I do not think he or anyone else ought to criticize us very much.

We have in this bill now priorities and allocations to the veterans of World War II. This means that the veteran who has the money can get the material to build his home. We expect to place in this bill an amendment under which the FHA authorization will be increased by \$1,000,000,000 to aid those veterans who do not have any money. The banks and local lending institutions will furnish the money as the Government will guarantee 90 percent of the amount that is needed to buy the lot and the home. If we do that, we are rendering a great service to the veterans and showing our appreciation to them. Without this amendment veterans with no money will not be able to secure homes.

We have ceilings in the bill in order to try to hold down the cost of the materials and the homes.

I think we are helping the veterans a great deal by doing this. The only other thing that Mr. Wyatt wanted was subsidies. He did not need ceilings on old houses because they do not fall within the scope of his functions. His job is to produce materials and build homes. The problem of inflation on old houses belongs to the OPA. Therefore, we have granted to Mr. Wyatt practically everything that he has asked. This is a good bill, gentlemen. Do not vote to recommit a bill such as this. Referring to subsidies, there are three different schools of thought about the best methods of producing more building materials—one is subsidies; one is to increase the ceilings; and the other is free enterprise without any ceilings. I belong to that school of thought which believes there should be ceilings upon building materials. But I think the ceilings should be

high enough to afford a profit and thus encourage people in the production field to produce the necessary building materials. I do not believe this subsidy amendment will accomplish what you want. I am honest in my belief and you gentlemen who believe that subsidies will accomplish what you want are honest in your beliefs. It is a matter of agreeing on what is the best method to produce these materials so the veterans can have a home in their own community. I think the method that was used in settling the steel strike is by far the best method. Those in authority wanted steel production to go ahead. Workers in the steel industry were granted a raise of 18½ cents per hour in order to get them back to producing steel. Then we had to help the producers of steel. The price of steel was raised on an average, as it is reported in the press, of 15 percent. Steel is one of the necessary building materials.

Why should lumber producers, brick producers, and soil-pipe producers operate under a different method from that of the steel industry in producing their building materials? I do not believe you desire to destroy these sawmill operators or the producers of lumber or of brick. Much less than 15 percent may be the proper increase, but if you give them an increase so that they will make a fair profit, you will obtain these scarce materials which are so vitally necessary in the building of homes. Who has called for these subsidies? Has the sawmill man asked for subsidies? No. Has the producer of lumber asked for subsidies? No. Has the brick producer asked for subsidies? No. They will not take these subsidies because they usually have to employ a lawyer to collect the small subsidy, and on account of so much red tape they will say, "No, I do not want a subsidy from the Government, I just want a fair profit to which I am entitled in peacetime under free enterprise. All I want is a fair living and a small profit." That is the only way you are going to obtain scarce building materials. I remember a year ago when Mr. Johnston, president of the United States Chamber of Commerce, was before our committee pleading for the extension of the life of the OPA, he stated he was in the building field. He said he manufactured several building materials, one of which was brick. He said that he lost \$2 per thousand in manufacturing brick, but on the other materials he made a profit. Therefore, in the over-all picture, he made quite a profit. I replied to Mr. Johnston, "The man who manufactures nothing but brick cannot stay in business by losing \$2 per thousand. That is the reason a good many people have gone out of this particular business."

An illustration of this was cited by some of my constituents. In the city of Augusta, Ga., the Merry Bros., who are the largest producers of brick in the southeastern section of the United States, produce nothing but brick and tile. They called my attention to the fact that in the area of Augusta there were 180 manufacturers of brick 2 or 3 years ago, and that on account of the ceiling 80 of the 180 went out of business. Six months after the testimony of Mr. Johnson, OPA

raised the price of brick \$2 a thousand. Most of the 80 have gone back to the production of brick. That is an illustration to show you that you will get results and get material for the construction of homes for these needy veterans when you allow a small profit to the producer.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Miss SUMNER of Illinois. Mr. Small, of the CPA, testified there were 185 idle brick plants and five or six hundred running at less than their capacity.

Mr. BROWN of Georgia. Now, since they have increased the price by \$2, some of those people have gone back to manufacturing brick.

What does that cost? In some of the small houses you only use about 15,000 brick. At \$2 per thousand, that is \$30. If you use 25,000 brick in a larger house, it will cost only \$50 additional. On a seven- or eight-thousand-dollar home that is not very much. Is not this preferable to giving subsidies when the people say, "We do not want them"? Which course will you choose?

In our committee, after long hearings discussing this pro and con, not a single witness testified for subsidies. That is my recollection.

I remember Mr. Wyatt himself on the 29th day of January stated he did not know whether he wanted subsidies or not. I produce the best witness within the sound of my voice, a gentleman who has given more study than anyone else to subsidies and to obtaining materials for the veterans, my good friend WRIGHT PATMAN. I call him as my first witness. In the testimony of the gentleman from Texas [Mr. PATMAN] I find this:

Mr. PATMAN. May I read a short amendment that I have for the subsidy matter so that it will go into the record at this point in connection with his statement?

The CHAIRMAN. I have no objection, but I do think Mr. Wyatt should be permitted to continue his statement, and then you may interrogate him at the proper time.

Without objection, you may read it.

Mr. PATMAN. Mr. Wyatt, I gave you a copy of that amendment yesterday. Will you insert it in the record at this point, please? I will not insist on reading it, but it is an amendment which I expect to offer for the subsidy provision.

Mr. WYATT. Yes, I will be glad to.

Miss SUMNER. Does he endorse it?

Mr. PATMAN. He has not endorsed subsidies, so he is not in a position to pass on it at this time.

That shows you that even up until the 29th day of January no one testified for subsidies, or that subsidies would be the best method to obtain scarce materials.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. The other day I received a telegram from the Home Builders Association at Chicago. They half way endorsed the plan of Mr. Wyatt. Who are the home builders? In the original Patman bill we had a subsidy for

the home builders, but we struck that out in the committee. We are not giving a subsidy to the home builders in the Monroney amendment. We are changing it now to the producers. They call it premium payments, which is only another name for subsidies. How could the National Association of Home Builders be interested in the Monroney amendment? Now, the subsidy is to help the producer. What does the producer say? Here is a telegram from L. C. Hart, the president of all the producers in the country, saying:

Subsidies will hinder the production of scarce material that we need so badly for the soldiers and veterans of this country.

Mr. Eccles, of the Federal Reserve System, when he appeared before the Banking and Currency Committee as a witness for the extension of the OPA, said the new price and wage policy will increase the consumers' cost 10 percent.

I do not believe it will be that large, but suppose the gentleman is right. Do we expect to hold the line by paying that subsidy? The situation may change 6 months from now and costs go higher still. Then are we to hold the line by paying 20 percent additional cost to the consumers? Will we keep on until we have a mounting subsidy debt in addition to what we owe now?

The shooting is over, the war is over. Let us increase the prices a little and satisfy the producers so they will produce more scarce materials quickly, because time is of the essence in producing scarce materials.

Mr. Kaiser, of California, appeared before our committee as a witness for the extension of the Price Control Act and endorsed everything Mr. Wyatt wanted. I asked him if he produced building materials. He said, "Yes, a lot of it of various kinds." As you know, he is supposed to be, or will be, the largest manufacturer of prefabricated houses. I questioned him on this subsidy proposal and asked him if he would expect the Government to give him a subsidy in producing building material. He replied that he would not take any subsidy in producing the scarce material. Now I ask the question: "When the producers of standard building materials such as lumber, brick, soil pipe, and so forth, and when the producers of nonstandard materials such as prefabricated houses, all decline to take subsidies, what good will this amendment do?" In my opinion it will retard the production of scarce material.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. PATMAN. Mr. Chairman, I seek recognition in opposition to the views expressed by the gentleman from Georgia.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas is recognized for 10 minutes.

PRODUCTION SUBSIDIES

Mr. PATMAN. I am sorry the gentleman from Michigan did not yield to me a while ago when he had two additional minutes time secured for that purpose. I wanted to ask him two questions. One was: Is it a fact that you are not opposed to production subsidies? If I am not mistaken he would have been compelled to say that he favored production subsidies. The second question I would have asked him was: Is it not a fact that the question of subsidies was written into the bill originally? It was discussed by me as the author of the bill one entire day that I was before the committee. I remember questions were asked me about subsidies. I gave several illustrations. Mr. Snyder, the Director of the Office of War Mobilization and Reconversion, was asked about subsidies and said he had not made up his mind yet, did not know whether it would be necessary or not. Mr. Wyatt was asked about subsidies and he said he did not know, that they had not been included in the program yet, but if the program called for subsidies that he would, of course, want subsidies. So there you have both Mr. Wyatt and Mr. Snyder coming out for subsidies. We had already prepared this bill on the assumption that the administration had not specifically asked for subsidies. It was voted out, but it was well understood by all of us that we expected to coordinate this bill with the Wyatt program if we could, and that made subsidies material.

Every Member of this House, I believe, has voted for this kind of subsidy. This is not a gift, it is not that type of subsidy; this is a production subsidy, a production subsidy. Let me give you an illustration. I will take the illustration used by the gentleman from Georgia. He gave the reasons why we should have this subsidy provided, and why the bill would not be effective unless we have subsidies.

Let us take bricks, for instance. A number of plants cannot manufacture bricks for the price which they have been getting, consequently we will say one-third of the plants have had to close down. Which is better? To increase the cost of bricks at all the plants, thereby increasing production generally, or to give one-third of the producers a subsidy let us say, of \$2 a thousand and get just as many bricks? That is the answer to what this will do, and prevent the veteran from having to pay price raises that will run clear across the board.

Let me give you another illustration: During the war the committee had to consider the question of production subsidies for copper. We needed copper. Copper was vital, it was a critical, a strategic metal; we had to have it, and we had to have just as much copper as it was possible for our country's mines to produce. There were a lot of mines in the West that could not produce copper for 12 cents a pound. They were closed down. They were high-cost mines. The big copper companies that produced 90 percent of the copper and would produce 90 percent of the copper anyway could produce copper for 12 cents a pound and make a big profit out of it. What

was the sensible thing for Congress to do? And what was the business-like thing to do? Should we raise copper to 24 cents a pound clear across the board and give the big companies that produce 90 percent of the copper anyway that 24-cent price in order to increase the production in those high-cost mines? No. That would not be possible. We would be almost a bunch of idiots if we agreed to something like that.

Why not give a production subsidy to these high cost producers where they cannot produce at a profit on less than 24 cents a pound. Why not give them a subsidy of 12 cents? We saved in some instances \$50 for every one dollar that we paid out in subsidies.

That is exactly what will happen here. We have mills that are closed down because they cannot produce at the price of lumber they are receiving. Should we increase the price for all mills that can make a big profit at the present prices and will continue to produce and are glad to produce at the present prices, increase them \$10 a thousand in order to accommodate a few high cost producers? That would not make sense either. Therefore we are offering the same proposition for the veterans to save the veterans money on their homes in the same way and manner that we kept down the cost of the war during World War II.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. GORE. I wonder if the gentleman quoted by the gentleman from Georgia as representing the producers' organizations does not represent the producers who are now producing at a profit under the ceilings and they prefer increased prices rather than a subsidy because they would get the increased price, but under the subsidy program the high-cost producer who is not now in production would get it?

Mr. PATMAN. Yes. That would open up all of these high-cost mills exactly the same way it opened up the high copper mines. It will open up the high-cost producer of bricks, for instance. That is not only sensible, it is good business.

Mr. GORE. And the people he represents are already operating?

Mr. PATMAN. Why certainly.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. My office has received a telegram from the Veterans of Foreign Wars, as follows:

The Veterans of Foreign Wars have endorsed the Wyatt housing proposal for veterans including premium payments and ceilings and urges you support this premium.

Signed "Omar B. Ketcham, national legislative representative of the Veterans of Foreign Wars."

Mr. PATMAN. I am glad to have that information. The Veterans of Foreign Wars is a very thoughtful and progressive organization.

The gentleman from Michigan [Mr. Wolcott] in his argument in reference to subsidies never said he was against subsidies. He cannot be against pro-

duction subsidies. It would not be good business for a person to be against the kind of a subsidy I am talking about. In the case of copper we saved \$50 for every dollar we paid out. Do you want to help the veterans the same way you kept down the price of copper? If you do, vote for the Monroney amendment. It has exactly the same principle in it.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Arizona.

Mr. MURDOCK. If we do that a debt will be passed on to posterity, will it not, but if we do not do it a greater debt will be passed on to posterity, is that it?

Mr. PATMAN. We are saving money in many instances at the rate of 50 to 1, as we did in the case of copper.

The gentleman from Michigan did not say one time he was against production subsidies and I do not believe he will say it. He just made the argument that the FFC had the power under existing law to pay these subsidies, but unfortunately the gentleman from Michigan, although a distinguished lawyer in his own right, is not the one to pass on this question. The President of the United States says he does not feel he has that power. Mr. Wyatt, the expeditor, says he does not have the power, the attorneys who administer the law say it cannot be done. So what are you going to do? Are you going to take Mr. Wolcott's suggestion that they have the power and pass it off that way by a wave of the hand or are you willing to take the effective way, the way that you know will get results? That way is to adopt the Monroney amendment. The amendment is absolutely necessary, it is vital to the success of this bill. Mr. Wyatt says he cannot succeed in building 2,700,000 houses this year and next unless you give him this power. The President of the United States has asked Congress to cooperate with him so that veterans might be given an opportunity to buy or to rent homes, decent places in which to live. The President has submitted a good program, a program that will work if Congress will cooperate.

The question is, Will Congress do its part? Will we commence here by the House doing its part or will we say, "No, Mr. President, no, Mr. Wyatt, we are going to cut out the heart of this program; we are going to cut out the part that will save the veterans so much money on construction by paying out just a little Government money like we did on copper; we are going to cut that out; we are going to cripple Mr. Wyatt; we are going to hinder him; we are going to prevent him from carrying out a program that will relieve the housing shortage in the United States."

I hope the Members will consider that and support the President of the United States in granting this request.

Mr. WOLCOTT. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 1 hour.

The motion was agreed to.

Mr. ADAMS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ADAMS. Mr. Chairman, subsidy payments will not cure the present housing shortage. The result of making subsidy or premium payments will be more expense, higher cost contracts, and more national debt. That houses are necessary is apparent to every Member. The fact of the matter is that this bill does not deal with the fundamental cause of the present housing shortage. That cause is the shortage of materials generally, and lumber in particular. It has been well pointed out that an agency of the Government is as good as, and no better than, those who administer it. No truer nor more appropriate words have been spoken in this debate. The Housing Administration under this legislation will be no better than those who run it. It can also be said that it will be no better than the quality of the tools that it works with and that its success will be measured by the adequacy of the supply of materials required in its program. We are in a desperate dilemma with OPA. On one hand OPA has held rigorously to prices in order to prevent the bogey of inflation. While this has been desirable and necessary, the OPA must adopt price policies conducive to full production. Price policies affecting lumber have resulted in actually reducing production. In a sense, housing may be considered the cart and price control the horse. Housing may be drawn along by the OPA horse or the horse can refuse to budge.

Illustrative of the effect of such price policy it is significant that while the Northeast produces normally 2,000,000,000 feet of lumber annually, production has declined in every year since 1941. In 1945 production fell to a billion and a half board feet. While this reduction is not due entirely to price policy it is a fact that the manner by which adjustments in price are made by OPA results in 20 to 25 percent of the productive capacity of the lumber industry going out of production at each adjustment in price. This is due to the manner by which OPA makes a price adjustment. The adjustment is made on the basis of cost figures submitted by industry. From these figures a cost array is made and a breaking point taken of approximately 75 percent of the cost figures submitted for the purpose of establishing a price sufficient to yield back not less than costs of production. Every producer above that breaking point must operate at a loss if he continues to produce. Thus each time that a price adjustment is made a percentage of the productive capacity of the industry is lost due to the fact that high-cost producers are not given sufficient price to enable them to recover costs. This has resulted in a decline in the productive capacity of the industry, not only in the Northeast but throughout the country. Many figures showing this situation have been submitted to me representing a substantial amount of potential productive capacity.

This price policy ought to be changed. Price policy need not be changed to provide for establishing prices generally

which will yield to all producers not less than their costs, but there should be a provision by which every producer may apply to OPA for an adjustment of his individual prices so that he may be permitted to adjust such prices sufficiently to cover his own production costs. Certainly this will assist materially in restoring the productive capacity of the industry. We cannot solve the housing problem until we get lumber back into high production. There is no commodity whose costs vary so greatly. Timber grows on all types of land, in widely varying degrees of accessibility, resulting in a wide range of production costs. The weather has a marked effect as well on costs of production.

There is need for maximum production now. To induce high production, price policy needs to be adapted to the exigencies of the situation. Subsidies will not accomplish full production except under staggering costs to the taxpayers of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. SAVAGE].

(Mr. SAVAGE asked and was given permission to revise and extend his remarks.)

THE NEED FOR PREMIUM PAYMENTS TO INCREASE PRODUCTION OF BUILDING MATERIALS

Mr. SAVAGE. Mr. Chairman, a tremendous increase in production of building materials is one of the primary requirements for reaching the goal of 2,700,000 houses for veterans in 1946 and 1947 set by the veterans emergency housing program.

To help stimulate materials production on that vast scale, legal authority for the Federal Government to make premium payments for increased materials production is imperatively needed. That is the purpose of the proposed amendment to the Patman bill authorizing such payments through the RFC up to a maximum of \$600,000,000.

This method was used successfully during the war to get maximum production of critical materials needed for all-out military production. What is proposed now is to apply it to the critical emergency need for veterans housing.

Wilson W. Wyatt, the Housing Expediter and National Housing Administrator, estimates that his program of 2,700,000 homes or apartments for veterans will require \$2,000,000,000 of building materials in 1946 and \$3,250,000,000 in 1947. By contrast, only \$400,000,000 of building materials was consumed in residential construction in 1945. In short, there will be an eightfold increase in material requirements for housing between 1945 and 1947.

To meet this goal, there will have to be capacity production of both conventional and new types of building materials in existing plants and increased capacity for a number of critical materials.

The premium payment plan is urgently needed to accomplish these results. Wilson Wyatt has made clear that premium payments will be used only where absolutely essential to secure the production needed for the veterans housing program. The payments will apply only to the increase in production of a given

material or equipment item over and above production in a carefully selected base period, or to absorb exceptional risks in production of new materials.

Premium payments will in no sense preclude the use of other methods to stimulate increased production of materials, including price adjustments. However, any wholesale use of price increases as a lever to increased production would clearly defeat the purposes of the veterans' housing program by adding to inflation, raising construction costs still higher, and widening still further the gap between veterans' incomes and the sales prices of new houses.

Furthermore, widespread price increases applied across the board would in all likelihood become permanently frozen into the price structure, whereas premium payments would apply only for the period necessary to stimulate increased production and only to the actual increase in production secured. And premium payments also will help get increased production without raising the cost of housing to the veterans.

This feature is only fair for the veteran because we do not want him to have to pay all the additional high costs of materials that occurred while he was in the service. This will allow the entire Nation to help lift that additional burden from the shoulders of the veterans who have to buy homes.

To build 2,700,000 houses in the next 2 years and thus meet the veterans' housing emergency, we will need to use every ounce of our productive capacity. The premium payment plan is a vitally important tool to help do that job—and at a cost of less than 3 days of the war.

The large and efficient sawmills in my section of the country have during the years immediately past been making the greatest profits in their history. To raise prices all across the board would only permit higher profits where high profits are already being made. This Monroney amendment will bring about the production of many times as much material as would an equal amount of money by further inflating prices. This amendment will put the money where it is most needed to get results and no place else. Far less money will be needed to do the job under this premium-payment program than would be needed under a price-raising program. Under this proposal the country will lift at least 90 percent of this amount from the shoulders of the veteran. Conversely, if we allow all prices on materials to go up, the additional cost will be not \$600,000,000 but several billion dollars and practically the entire additional amount will fall on the backs of the veterans.

This is an emergency program and will not be necessary for long.

For the welfare of the veteran and the Nation I urge the passage of the Monroney amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. GILLESPIE].

Mr. GILLESPIE. Mr. Chairman, the experience of the American people with the disastrous results of the subsidy program on milk should show us that we do not want to further complicate the criti-

cal housing situation with subsidies. Houses are built from materials—lumber, nails, glass, doors, brick, and mortar—and cannot be produced by speeches.

It seems to me the argument for subsidies on building materials has been nullified by the fact that the administration has had the power to grant subsidies all along, and still has that power under the War Powers Act. Yet over 25 percent of all brickyards in the United States are closed. A large percent of our lumber-processing mills are closed. Many of our logging camps and other manufacturers of building materials have shut down because the ceilings on these materials are below the cost of manufacture. The proponents of subsidies claim that by paying subsidies to some of the more inefficient mills, brickyards, lumberyards, and other manufacturers of building material, we could get a flow of material sufficient for a large building program and their plan is to pay a bonus just in proportion to the inefficiency of the particular mill, brickyard, or manufacturer; thus allowing the long arm of bureaucracy and political preference to reach to every nook and corner of America.

Everyone knows that with increased wages it is utterly impossible for many lines of business to continue without at least some advance in price.

If Congress should make the mistake of giving the Housing Director authority to grant subsidies wherever and whenever he deems it advisable, we would find that the manufacture of housing materials would slow down tremendously because nearly all manufacturers would claim the necessity of a subsidy and before the horde of Government representatives could get around to consider the case of these various manufacturers, the building program would be so bogged down that it could not catch up in 2 years. The simple, easy, and common-sense way, in fact, I think, is the only way we can get building materials and get them quickly and economically is to grant necessary price increases on those materials and the country will experience a great surprise in the tremendous volume that will be made by private industry under private initiative. Then, if we want to subsidize the veteran who is building a house, we should give him a bonus for doing so and in that way the saving to the veteran would not be extended to the entire building industry, and these bonuses would cost only a fraction of what the proposed subsidies would cost. Is not our debt great enough? Is not our confusion ample? Why make it worse?

There seems to be a disposition on the part of some to try to make political capital out of this measure and claim that the opponents of this ill-advised measure are against the veteran. That, of course, is ridiculous. I do not believe there is a member of this House, no matter what his political affiliation may be, that is not perfectly willing and anxious to do whatever is necessary to get housing for the veterans, as well as the rest of our population in need of shelter. The question is how best to do it and it seems perfectly clear that subsidies cannot accomplish the desired result.

I would like to read a telegram which I have received from the Leyden-Chiles-Wickersham Post, No. 1, of the American Legion, of Denver, and remember, nearly one-half of the 8,000 members of this post are World War II veterans:

DENVER, COLO., February 27, 1946.
Congressman DEAN M. GILLESPIE,
Washington, D. C.:

At a regular meeting of Leyden-Chiles-Wickersham Post, No. 1, of American Legion, which has membership of over 8,300, and is the second largest post in the United States, it was voted to urge your opposition to Wagner-Ellender-Taft bill, the Patman Act, and all similar legislation that will result in socialization and regimentation of housing of Americans. Veterans want homes of their own in the modest-price range, and did not fight for the right to become tenants of the city, State, or Federal Governments in public-owned and operated projects. Since VJ-day continued Government wartime controls have prevented the huge construction industry from building homes needed by veterans, thus also denying employment to hundreds of thousands of veterans and other labor. Government agencies offer as a substitute unsound new legislation. Such proposed solution by public-housing propagandists is opposed by veterans. Private enterprise throughout the country is ready with experience, building sites, and money to build more low-priced homes faster and better than any municipal, State, or Federal bureau, but because of Government policies, materials, and equipment are not available to them.

In Denver alone 1,814 low-priced homes stand incomplete because of lack of materials. We recommend that positive action be taken as follows: No. 1, defer for 1 year all nonessential Federal, commercial, and industrial construction plus construction of de luxe price residences. No. 2, lifting of price ceilings to enable full-scale production of materials and equipment used in homes to be built in the U. S. A. No. 3, prohibition of continued wholesale foreign shipments of lumber and other building materials. No. 4, FHA made responsible that veterans be given 30 days' preference to purchase or rent new homes and apartments and for other directives to implement the spirit of low-priced homes for veterans. The time has come for a show-down whether the United States of America is going to become socialistic or remain a strong nation of free enterprise.

J. FRANK BINDER, *Adjutant*.

I am just now in receipt of a wire from Maj. Bernard H. Waldman which reads as follows:

DENVER, COLO., March 4, 1946.
Congressman DEAN M. GILLESPIE:

Am strongly in favor of bill for direct subsidy to veterans for housing rather than a subsidy to manufacturers.

BERNARD H. WALDMAN,
Major, QMC-REF.

In fact, all of the arguments I have had on either side of this bill have opposed subsidies.

The CHAIRMAN. The Chair recognizes the gentlewoman from Connecticut [Mrs. WOODHOUSE].

Mrs. WOODHOUSE. Mr. Chairman, the Monroney amendment providing for premium payments should be accepted because it offers the most economical way of providing incentives for the production of certain needed materials. When Judge Collet came before the Committee on Banking and Currency January 23, he said of the use of subsidy:

If you put it on the particular spot where it actually is needed to produce and stimulate that particular product, you avoid the

necessity of a general increase in a price level that may raise or increase the over-all cost to the consumer, many times the amount of the particular subsidy used to bring about production of that particular material.

And he said further:

There have been several price increases of lumber, but actually it has not gotten the job done. Prices have gone up, and the production has gone down.

It is very easy to blame the shortage of building materials on price. But if we are realistic we have to recognize that a major war does disturb our economy, that brickyards, for example, were not all in operation during the war; that labor which went into war industries took time to drift back to the brickyards. Actually, in spite of all the talk in certain quarters, reconversion has gone well. Mr. Snyder reports that on December 31 production for civilian use was higher than it had ever been in peacetime. But in housing we are faced with a situation somewhat different from that of the production of other commodities. We have not produced an adequate number of low-cost houses for many years—dating back to long before the war. The highest number of housing units ever produced in a year was 937,000 back in 1925. Our current program calls for building homes at the rate of 1,500,000 a year. And before saying that program is impossible let us recall the skepticism which greeted the demand for 50,000 planes. Many more were produced. But not by the law of demand and supply. They were produced by engineering skill, by the coordinated effort of government, labor, and management under the leadership of a great man—a man with courage and imagination.

The aircraft industry doubled and redoubled its production largely through the use of mass-production techniques and the adoption of new engineering ideas and new materials. But housing is still a handicraft industry. Each dwelling is built largely by hand, out in the open. The industry must develop methods of mass production which will lower the cost of an acceptable low-priced house.

It is low-cost housing which we must provide. One-half of all dwellings in existence today are valued at less than \$3,000. An analysis of the 26,444 dwellings registered in the rent area covering 2 counties in my district shows that 97.7 percent carry rentals of \$50 per month or less. Further, 58.3 percent have rents of \$20 per month or less. This means houses costing not over \$5,000.

The new methods and new materials give promise of producing low-cost houses. This is a field in which traditional construction has not been able to provide an adequate number of dwellings. Providing premiums to help carry the risk of developing new plants for producing new building materials and dwellings by new methods will provide low-cost housing. It will not harm the traditional builder. He will be kept fully occupied with on-the-site construction. Nor will it throw the building tradesmen out of work. On the contrary, it makes possible their employment on a year-round basis instead of seasonally, as today. Moreover, new materials and new

methods will create jobs. Mr. Wyatt's program calls for 1,500,000 additional workers in the building industry.

And we can be certain that the new-type houses will meet standards both of utility and of appearance. Outstanding industrial designers like Norman Bel Geddes are creating new-type houses at low cost. The dire predictions made last week by the gentleman from Michigan are groundless. No Government agent will prescribe the room arrangement. I wonder if he remembers that all women's dresses were made under L85 during the war, and yet we certainly did not all look alike. Nor were we all squeezed into size 16 nor draped in size 44.

There will be more choice with new low-cost housing than there is today where most people who cannot pay a high price for a house have to take somebody's discard.

Mass production is the great economic contribution of our American engineering genius. The premium payments provided by this amendment will both bring out short materials needed by the traditional builder and hasten new developments in the building industry. These developments would without question come eventually. But the veteran needs a home now. During the war subsidies have been used very effectively in obtaining production without increase in price. Mr. John Snyder so stated recently before the Banking and Currency Committee. The war is certainly not over for the veteran who cannot find a home. For the coming months premium payments are needed to hasten home building and to help keep down the price to the veteran and his wife who must have a home if they are to live as an American family should. Today it is difficult for any veteran to find a house or apartment. It is practically impossible for a veteran with a child, certainly for one with children, to find one.

I heartily dislike subsidies. But not as much as I should dislike the social results we will suffer if we fail to find ways of producing the needed 2,700,000 homes for the young men and women who today are starting the families who will shape the future of our country.

(Mrs. WOODHOUSE asked and was given permission to revise and extend her remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I offer an amendment to the Monroney amendment.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW to the Monroney amendment: Strike out the words "conventional and new types of."

Mr. HINSHAW. Mr. Chairman, I think the cat is pretty well out of the bag. This amendment offered by my good friend, the gentleman from Oklahoma [Mr. MONRONEY], without the amendment I have offered, permits the making of premium payments for "conventional and new types" of building materials. Read that language carefully and think well what it could include under administrative interpretation. It seems to me I have heard of at least one very important tycoon who was around

here for the purpose of lobbying for prefabricated homes, to be made out of such materials as aluminum, and which he proposed to build in large quantities. No doubt, others have some dandy new ideas, too. The way the amendment offered by the gentleman from Oklahoma has been written, the Housing Administrator would be authorized to make premium payments or bonus payments to that esteemed tycoon to help him sell prefabricated aluminum houses at a reduced price without the loss costing him anything. We all know the reports are that he himself made \$45,000,000 during this war in his activities in connection with the war. He is really quite an enterprising chap and has done a great production job.

It seems to me it is entirely unnecessary for anybody to offer any premium payments for new types of building materials. That could be a real racket. It would provide the Housing Director with a \$600,000,000 kitty with which he could finance his friends in all sorts of queer ventures.

Furthermore, if the word of the gentleman from Texas [Mr. PATMAN] is to be believed and this amendment was to be for production subsidies, then, in the name of heaven, why do you not say "production subsidies" in the amendment instead of calling it premium payments? I might not be opposed to the gentleman on the question of production subsidies, to bring in the high-cost marginal producer of building materials and increase the amount of material available thereby, but the amendment as offered by the gentleman from Oklahoma [Mr. MONRONEY] is going to bring in all the screwball ideas for untried new materials to get premium payments in order to put them into production. It seems to me it is entirely asinine. If you want us to vote for production subsidies, then ask for production subsidies or incentive payments. If you want to finance these cockeyed schemes and pay for them with the tax money of the people, then vote for the amendment that has been offered by the gentleman from Oklahoma calling for premium payments on "conventional and new types of building materials."

Mr. Chairman, with the deepest respect for my friends, the gentlemen from Oklahoma and Texas, I would like to say again that there has been more hokum—more loose talk—about this bill than anything I have seen or heard around this hall for a long time.

I thought that the gentleman from Oklahoma [Mr. MONRONEY] was going to offer an amendment to provide production subsidies to marginal producers in order to bring into production those inefficient building materials manufacturing plants that have not been able to stay in operation and produce building materials under the OPA ceiling prices, and whose production is needed in order to get the maximum production of building materials. Of course, those plants could be brought back into production by allowing them an increase in their ceilings. But my friend from Texas points out that increases in ceiling prices on standard low-cost building materials made in order to help the high-cost producer to get back into oper-

ation would mean added profit to the low-cost producers.

So, Mr. Chairman, I have been awaiting the reading of the proposed subsidy amendment, feeling that there might be some logic in that proposal. When it was read by the Clerk I was shocked to note that there was no mention of production subsidies, but something called a premium payment instead. The term "premium payment" is a new one on me. I think it is a new one for the law, too. I find no legal definition of what a premium payment is. The term "premium payment" might well be construed to mean "bonus." It could mean several things at one and the same time. In fact, if this amendment were adopted, it would appear that the Director could make his own definition of the term. I have seen too much of that sort of thing to vote blindly for those words to be included in this bill. If the gentleman from Oklahoma had used the words "production subsidies," or "incentive payments to marginal producers," everyone would know that the amendment said what the gentlemen from Texas and Oklahoma said they intended it to mean and that Mr. Wyatt wanted, but it does not read that way. In my opinion it is a slick piece of legislation and an excellent vehicle for slickers to make their fortunes at the expense of the people and especially at the expense of the GI who will have to pay for it in years to come through taxes.

Now, Mr. Chairman, I would like to return to a statement made frequently here on this floor and elsewhere by the gentleman from Texas [Mr. PATMAN] to the effect that if we do not pass this bill then scarce building materials will be used to build race tracks, amusement places and honky-tonks. All this bill does, so they say, is to continue in force the powers right now and long since vested in Mr. Wyatt by Presidential directive under the War Powers Act, which expires, unless renewed, on June 30, 1946.

Now let us look at that situation squarely. Everyone can see right today that there is a great deal of that kind of building going on. You can see it everywhere. All you have to do is drive around and look for yourself. Mr. Wyatt has the power right now, and has had it for a long time, to stop that sort of thing and to channel those materials into housing for veterans. Has he stopped it? He has not stopped it. What leads you to believe that he needs this bill passed to help him stop it? With all due respect to the gentleman from Texas [Mr. PATMAN], I say that this bill is not going to stop that sort of thing if the bill only extends the present existing powers of Mr. Wyatt. Mr. Wyatt could stop it any day under the powers he has now. So the statement made by the gentleman from Texas must have been made to appeal to the feelings of those who are not well informed. Too many statements like that have been made here in the last several days. Let us have the plain truth spoken so we may act intelligently and not from passion. So far we have been getting a lot of pure, unadulterated "bunk" and very

little solid truth from the proponents of this bill. Never in my 8 years here have I heard so much sheer demagoguery as I have heard in connection with this bill.

[Mr. BIEMILLER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from Ohio [Mr. SMITH] is recognized.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, I am utterly opposed to subsidy in any form. A subsidy is a subterfuge. It is a falsehood that subsidizes lower living costs. They raise living costs. Subsidies under a program of deficit financing are raised by Government printing press money.

Government printing press money is inflation. The OPA is not dealing with inflation but its effects.

Shortage of goods in itself never causes true inflation, but inflation, that is Government printing press money, causes shortage of goods. Government printing press money is a depreciating money and a depreciating money disturbs the economy and hampers production. A part of the difficulty industry is having now to get back on its feet is due to the fact that our currency is in the process of depreciation. No man can know where he stands financially today, much less where he will stand tomorrow.

Every dollar of subsidy that is added to the existing volume of currency will only aggravate this condition.

Let me remind the members of this House and especially those who so much protest the need of protecting wage earners and other low-income groups of one of the most crucial facts of all history—namely, that it is the working people who suffer most from a depreciating currency. This is one of the most outstanding truths in economic and monetary history. There is not a treatise on the subject of money worth reading that does not recognize this. The great statesmen of all time have recognized this. It was recognized by the English statesmen who wrote the Gold Bullion Report, still one of the classical studies of money, notwithstanding the theories of the Keynesian school.

Let anyone read the history of Government printing-press money in France under John Law's scheme in the second decade of the eighteenth century and that which took place in France toward the end of the eighteenth century and he will see how much more heavily the evil effects fall upon the poor than the rich.

Study the evil effects of the bills of credit, Government printing-press money, during our colonial history and you will find that they fell most heavily upon the poor.

Said Pelatias Webster regarding the bills of credit:

We have suffered more from this cause than from every other cause or calamity. It has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice than even the arms and artifices of our enemy.

Our own statesmen have time and again pointed this out. Said Daniel Webster:

A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive to its happiness. It was against industry, frugality, and economy, and it fosters the evil spirits of extravagance and speculation. Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the mass of the community, compared with fraudulent currencies and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well disposed, of a degraded paper currency, authorized by law, or any way countenanced by government.

Said Grover Cleveland, who had a better knowledge of money than some of our other Presidents:

There is one important aspect of the subject which especially should never be overlooked. At times like the present, when the evils of unsound finance threaten us, the speculator may anticipate a harvest gathered from the misfortune of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner—the first to be injured by a depreciated currency and the last to receive the benefit of its correction—is practically defenseless. He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortunes of others, nor hoard his labor.

The CHAIRMAN. The gentleman from Arizona [Mr. MURDOCK] is recognized for 2½ minutes.

(Mr. MURDOCK asked and was given permission to revise and extend his remarks.)

Mr. MURDOCK. Mr. Chairman, as I view it, there are three ways of paying for war, that is, the wealth cost and not the blood cost. Now I regard taking adequate and proper care of the veterans returning as a part of our war obligation and cost just as much as furnishing them guns with which to fight the war.

There are three ways of paying the money costs of war. One is by 100-percent taxation, which has never been done, and was far from being done during this last war. Another is to borrow every dollar spent in the war. That was not quite fully carried out this time, but in large part that was one method we had of financing this war. Our Government borrowed billions of dollars. Another is through inflated prices, a large part of the total cost of war can be suffered and paid through inflated prices. Now, through inflated prices and through borrowing as we have done this time, we passed much of that debt on to posterity. I think it is a shame—I might say a crime—that we have passed so much on to posterity.

When I said here on this floor a half hour or so ago that all the copper that was produced in this war was bought at a price from 12 to 17 cents a pound,

whereas in the First World War the price went up to 35 cents a pound, that saving was made possible because this time we used premium prices and offered inducements by way of incentive subsidies. I mean to say, and I think it is just as plain as arithmetic, that whatever the total amount was we paid for copper, whether it was \$1,000,000,000 or more or less in World War II, we would have paid twice that amount had we not used the incentive subsidy plan. However, following me a Member said an hour ago we are just talking a lot of bunk about this, because through this subsidy we have passed all this debt on to posterity. He was referring to my words about subsidies. I tell you that even though you look at the premium-payment plan from that standpoint, it is not bunk to pass that reduced cost on to posterity but it would have been a crime to have doubled the cost to posterity instead of keeping it as it was kept at the lowest possible level.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

The gentleman from Iowa [Mr. JENSEN] is recognized for 2½ minutes.

Mr. JENSEN. Mr. Chairman, I am afraid too many Members forget that veterans are also taxpayers. These veterans are going to become the big taxpayers of America, and we may be playing fast and loose with their dollars and their children's dollars. One would think by listening to some Members talk on this bill that veterans are not taxpayers, that none of them are taxpayers. We must, however, remember that we do not want to pile obligation upon obligation and create a condition that will cost them much more in the long run.

I have here a letter from a prefabricated housing company in my district from which I wish to read a paragraph to show you what is happening with the regular prefabricated house plants:

None of our houses will meet FHA standards, and that is true of a good many of the homes on the market now. Also labor unions and building codes are keeping them out of the larger places. I noticed in one of my building services where the Government even had to let the electricians tear out the wiring and replace it on the homes they had built. Most building codes in cities of any size are written so you can't comply with their rules and regulations. A housing company at Albany, Ind., has been building homes for quite a number of years. They recently sold controlling interest to the United States Steel Co., and they are building a large plant for prefabrication of houses. It is my understanding, according to my trade reports, that they will not establish dealers or outlets in towns of more than 9,000 population due to building codes and labor-union restrictions.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. STARKEY].

(Mr. STARKEY asked and was given permission to revise and extend his remarks.)

Mr. STARKEY. Mr. Chairman, after listening to 4 days of debate here I have come to the conclusion that there are only two lines of thought, one to take off all restrictions and price control, leaving the returning veterans at the mercy of the speculators, compelling them to buy in a seller's market. The other school of thought is that abnormal

conditions exist in the construction industry and the veterans are entitled to the same protection that we have given big business during the war and after the war when they need some protection at a time that they find themselves in an abnormal condition.

We have given subsidies to all big business in the form of carry-backs and carry-forwards. They holler to high heavens when we talk of subsidies that will go to help the common man; yet these carry-backs and carry-forwards come out of the Treasury. It is paid by all the taxpayers. We made provision for ship purchasers buying ships. If later they find that the prices become cheaper, they may have a refund and they can also draw interest on the difference between the price they paid and the reduced price. We have helped the railroads, we have helped insurance companies, we have helped importers and exporters with legislation. That all cost the taxpayers money. But when it comes to taking a few dollars out of the Treasury and spreading it out among all of the people, we holler that it is contrary to our form of government. It seems to me that the people who fought this war and won the war are entitled to more protection than those who stayed home and made money while the veterans were away.

But now when it comes to protecting the investments of the men and women who won the war, we are apparently unwilling to take any effective steps. We are apparently willing to see any or all of their small savings and severance pay, any or all of the savings of a wife or sweetheart who probably accumulated a few hundred dollars working long night hours in a war plant, dissipated in order that land speculators and others may make a killing.

I do not believe, however, that this will be done. I believe we are going to protect the veterans as we have protected other groups, from the uncontrolled spiral of inflation. One of the ways to protect him is to pass this bill and include in it the right to pay subsidies to stimulate production and construction of necessary homes.

Certainly this Congress does not want to give those who would tear down our form of government the opportunity to say that the American way of life is to protect those who have, and afford no protection to those who have not. I am sure we do not desire to put words in the mouths of opponents to our democratic form of government and free enterprise, by giving them the opportunity to say to the returning veterans, you have gone on to the battlefields to protect our way of life and free enterprise but now that the job is done we forget all of that and you are at the mercy of those for whom you made these sacrifices.

As is well known, the present housing shortage springs from the drastic curtailment of construction during the war years when all material and all efforts had to be devoted toward winning the war. The fact that there had been inadequate construction during the prewar and depression years only served to make this shortage more acute. Now with the large number of World War II veterans

returning to civilian life, and the equally great number of war workers returning to their more permanent homes, the need for housing is so great as to present a challenge to American ingenuity and ability. It is estimated that nearly 3,000,000 World War II veterans alone will be seeking homes by the end of this year.

To meet this situation, the Government's Housing Expediter has set a goal of 2,700,000 dwellings by the end of 1947, with 1,200,000 dwellings being started in 1946 and 1,500,000 dwellings in 1947. It is no small goal and no easy task, and we all should be more than willing to provide appropriate legislation to accomplish these ends.

Meanwhile there is another question facing our citizens, and that is the price of these new dwelling units. It will be of no avail to build houses if the average American wage earner cannot afford to rent or buy them. It will be equally unpardonable to build moderate-priced houses, and to permit speculators to run the prices of them so high that the tenants for whom they were built cannot afford to live in them. It is to prevent such speculation that the Patman bill is designed.

This bill creates a director of housing stabilization who shall formulate and develop a comprehensive national program to effectuate the purposes of this title. Primarily, the Director will accomplish this purpose by requiring any person who deals in, sells, rents, or buys, or offers to sell, rent, or buy any housing accommodation to make reports and keep records of his transactions for governmental inspection. Whenever the Director believes that a situation in the sale of housing accommodations, the construction of which is completed after the effective date of this title, threatens the purpose of the bill to keep prices of housing units in line, then the director has the power to step in and regulate or fix the prices of this new housing construction in any given area. Under the present bill he does not have nor is he required to exercise nation-wide price fixing, unless or until such Nation-wide price fixing becomes imperative. Then, so far as practical, the Director shall consult and advise with local representatives of the industry and such State or local officials as may be effected by the housing order.

When the Director sets a maximum price on this new housing construction, he shall, according to the present bill, use as a yardstick; the reasonable construction costs; the fair market value of the land with improvements; a margin of profit equal to or reflecting the profits prevailing for similar construction in 1941. There is provision for controlling speculating by granting the Director power to make any order he deems necessary to prevent evasion of the purposes of the bill or to regulate or control speculative or manipulative practices in connection with the sale of any housing accommodations covered by this act.

In addition to these powers, it is my opinion the Director needs the same power that was used to stimulate production of armament during the shooting war, and it was only by granting production subsidies to manufacturers that

broke the bottlenecks and make it possible for us to reach goals that were called fantastic when they were first announced, but which most certainly brought about a much earlier termination of hostilities.

While the shooting has stopped, there are still war obligations and an important one is to provide those who won the war a decent place in which to live. It should not be necessary for our veterans to suffer any undue hardships upon their return to civilian life. Any moneys expended for subsidies for housing should be charged to war cost and I am satisfied the great majority of our citizens will be more pleased to see the Government spend a little money to make the veterans comfortable than they were to see them spend money for destructive purposes.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

[Mr. DIRKSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. KELLY].

Mr. KELLY of Illinois. Mr. Chairman, my only purpose in rising and getting recognition at this time is to call the attention of the members of the Committee to the fact that last week Mr. Wilson Wyatt, who I had the pleasure of meeting, and is a very fine gentleman, and I think a man who is going to be burdened with a tremendous task who needs the help of each and every one of us. However, last week in Chicago he castigated Congress for prolonging this legislation, which would stop the building of 3,000 homes for war veterans each and every day this House was considering this bill. That statement proved conclusively in my mind that Mr. Wilson Wyatt is not familiar with the building industry, because it would take more than 1 year even in the city of Chicago to build 3,000 homes under this program with some of the most skilled mechanics in the building-trades industry found anywhere in this country.

May I also call attention to the House that last fall this House allocated \$359,000,000 to the USHA for temporary homes to be constructed for veterans of World War II. Homes that are to be dismantled and removed from factory sites used during the war, known as war defense homes. I wonder now why the delay of that program after 2 months have passed? I wonder why only a few contracts have been authorized up to the present time? I do not believe any member of the committee is in a position to answer that question. However, I think I know myself. We are all anxious to build homes for the veterans, but let us do the job right.

I have here a letter from a builder with an order for the release of materials and priorities under Civilian Production Administration Order 541 (a).

Under that order, I want to show this House that they are asking for an urgent bill to construct homes for the returning veterans of this Nation. In one breath, they are asking for the construction of

new homes and, in another, before any law has been passed giving the veterans priority, they are preventing the completion of hundreds of homes, in Chicago and elsewhere, that are now partly built.

It just does not make sense.

These people must have authority from the Civilian Production Administration in order to receive these materials.

I wish to quote from two letters received from substantial, practical builders in Chicago.

One states:

I started five buildings of my own on Laffin Street, near Eighty-ninth, in the month of January. After getting the work under way, the lumber yard has been ordered to deliver no more lumber to me or other customers unless a priority rating accompanies each order. They have the material, but they are up against getting their stock replenished unless they in turn can furnish a priority rating to the lumber mills. Inasmuch as these homes were started before the regulation for veterans housing was promulgated, the CPA has provided for these hardship cases by allowing builders to apply for assistance on CPA Form 541-A.

I now quote from the other letter, also from a practical builder, who states:

My recent experience has shown that the veteran is not the one requesting new houses—not in all cases. He wants a place to rent until he is financially able and economically settled so that he can build a home. This is natural. Very few men in this age group have in the past or will in the future want to tie themselves down as a home owner. On the other hand, I have turned down many older people who have lots and necessary money to build. They must be turned down because they cannot obtain a HH rating. However, if we could build houses for these people, it would free apartments so they could be rented to servicemen.

In 1943, in the latter part of February, I was commissioned by the mayor of Chicago to come to Washington and see if we could get priorities for the purpose of constructing homes for defense workers. We were planning to head off the unsightly, unsanitary conditions that would prevail if trailer camps and villages had been established around the city of Chicago.

After conferences with the members of the United States Housing Corporation, which was then in control of this program, it appeared they could not see eye to eye with the people representing the city of Chicago. They even went so far as to state that they were contemplating advocating legislation whereby people would share their homes, in cases where vacancies occurred in the immediate family, due to boys or girls going into the service with total strangers, not knowing who they were or where they came from. If that were permitted to happen, God knows what would develop in a moral sense with regard to good, substantial home owners and people.

Refusing to accept the word of the authorities with whom we had dealt, I went to the White House and conversed with the President of the United States, Franklin D. Roosevelt, who agreed with my statement and ordered an interim quota of buildings to be constructed and priorities to be released.

We did a remarkable job, and the same job can be done today, under the provi-

sions of the Federal Housing Administration, by placing a price structure on these homes to be sold to veterans.

There is not a person in this Chamber who is not anxious to see that these veterans are accorded every privilege in the way of decent and stable homes—not in barracks or unsuitable quarters such as they lived in during the time spent in the armed forces.

If we wish to encourage common decency among our citizens, let us do the job right, by using common sense in the construction of home buildings, which will give pleasant surroundings to those veterans who will occupy them.

I am familiar also with the prefabricated industrial lobby that has been in existence in this Nation for the past 3 years, and it looks as though these people are the real lobbyists to sell their wares for inferior buildings, against the stable buildings that are characteristic of our Nation.

There are many other remarks I could make concerning this bill, and which I probably will make in the course of a short time, and being a veteran of the First World War and having two sons and a sister in the service during this war, I want to see all veterans get the best that this country can offer.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(Mr. KELLY of Illinois asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. BUFFETT].

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

[Mr. BUFFETT addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, I am still in favor of this bill substantially as it came from the committee. As reported, it contains no provision for subsidies.

In checking this morning with the Reconstruction Finance Corporation I found that no subsidies were paid on lumber, cement, asbestos, asphalt, plywood, brick, cinder blocks, and such materials when this Nation was in the agony of war, and needed every type of material it could get for camps, bridges, and other construction both here and abroad. Why subsidies for these things now?

I find further in checking with the Labor Department that in January of this year, 1946, 37,950 dwelling units were started as compared with 7,684 units last January; these without premium payments, and without subsidies. At the same time, in January of this year, \$68,000,000 in commercial building was started. Last January there was only \$7,000,000; so that now there is almost 10 times as much commercial building as a year ago. The combined dwelling and commercial construction for January compares favorably with that of any

month during the past 10 years, and January is a bad season for building.

I think the people of this country, to a large extent, are willing to wait for unessential commercial buildings and turn this material into dwellings. I think this is one of the essential things to be done in this program.

The people who produce building materials have not asked for subsidies. Why should we then spend our children's money in this way? It is the same as breaking into the little piggy bank and spending selfishly the money the children have saved. It is comparable, I think, to the dear little woman who goes downtown, buys a pair of curtains, and hangs them up in the house for a Christmas present, then sends you the bill the first of the month. Instead of paying the bill now, while we are prosperous and earning good money, we merely postpone the day of reckoning by the use of subsidies. Later our children will have to pay in the form of taxes; when the going gets tough, when earning power is less than it is now.

[Mr. MILLER of Nebraska addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, it seems that everyone wants houses, especially homes for veterans and our low-income people. If we are to get the homes these people can afford, the Government's responsibility comes into the picture. You cannot get away from it. At high prices most of these veterans cannot afford to buy. Something must be done. The Monroney amendment offers a necessary solution.

We must look upon this housing program as a war measure. The shooting may be over but the war is not. This housing shortage is a direct aftermath of the war. For 4 years we were unable to permit any sizable amount of home building. Now we are confronted with a crisis which we will not overcome unless we devote to it all the imagination and initiative we used to speed war production. We can overcome the obstacles if we are willing to do so. We mastered the obstacles for plane and ship construction, for training soldiers to fight who never had been near a gun. But we were not weak-kneed or timorous. We accepted the enemy's challenge. No one could stop us—and in the end no one did.

They are trying to stop us from solving this problem, though. But they will not if we give the housing officials who are willing to put over their program the help they need. We can either lift all restrictions, remove all ceilings, and let whoever can afford, build or build a home. But the people who need them most will not be able to get a home that costly way.

We recognize that the construction industry needs help from the Government if it is going to do its job. We have been offered a proposition which will make it possible to build the homes for the veterans who cannot pay the high prices

some people in the real estate and construction game would like to soak. We are willing to help them absorb—at Government expense—any increased costs they will meet in putting over this program. We are willing to charge that increased Government expense up to war costs. The only way to do that is through subsidies which will enable the industry to absorb its increased costs and hold the prices down. Are not the veterans entitled to this additional help from us?

This substitute to be offered by the gentleman from Michigan calling for a billion dollars of loans from the Treasury offers no protection against increased prices to the people who need a home. If anything, it offers veterans an opportunity to borrow money to buy homes at excitingly high prices. There is no commodity today which can more surely lead the country into an inflated speculative boom—and the consequent fall down and go boom—than houses. If this substitute passes a veteran will have partly paid back on his loan only to find that in the normal market he can purchase as good a house, or better, for less than he owes on the house he bought at an exorbitant price. What is he going to do? He will throw his house back upon the Government, and lose his own investment. Tens of thousands of others will do the same thing. The Government will be compelled to take back the houses, sell them at a sacrifice or tear them down. As a result, the Treasury and the taxpayers will lose more money under this substitute plan, which will be offered by the gentleman from Michigan than it could possibly lose otherwise.

And besides, even if he can borrow, few veterans are going to buy a house that is far higher in price than its value warrants. These men are not dumbbells. If they are going to borrow they will plan to repay and they will not borrow if they cannot repay. But some out of desperation will do anything to get the house they need.

In any event, if the substitute is adopted the Government and the veteran will be the loser—the former by losing its investment when the markets come back to normal and the houses are thrown back for default of payment, the veterans because if they do borrow they will be up against it in repaying on a home whose price is far out of line with its true worth.

[Mr. DOLLIVER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. IZAC].

(Mr. IZAC asked and was given permission to revise and extend his remarks.)

Mr. IZAC. Mr. Chairman, there are two parts to this program as I understand it. One is that we build houses, and the other that we build them at a price veterans and war workers, at least those who were formerly war workers, can afford to pay. Eight thousand veterans are com-

ing into southern California every week. Those figures are very accurate. They mean that 400,000 veterans will be in southern California by the end of this year. They have to have some place to live. It is no use of our talking about \$8,000 and \$10,000 houses because you know as well as I that to amortize the mortgage on such houses in the lifetime of the average man means \$80 a month minimum. I know of no way that has been brought out in this debate whereby we will reduce that price unless we do go to subsidization. If we subsidize the producers of these building materials, we have a chance to hold down the price. We had an increase in the ceilings of building materials, especially lumber, several times during the war. What was the result? Did you get any more lumber? Of course, you did not. We are getting less today with higher prices than we have had at any time in the past. Therefore, by simply granting higher prices, you are not going to produce any more building materials. But even if you did, who could afford to buy the houses built with such high-priced materials? Certainly not the average veteran.

I am convinced if you let this price go up here, as so many suggest, you will have to raise it again in a few months, and then again; and in the end you will have to go to the producers and plead with them to give us enough building materials to carry out this program of 2,700,000 homes.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. RABAUT. And if you do not do what you are advocating, you are forcing the veterans to live in a shack.

Mr. IZAC. Well, they do not even have shacks in my district. But by keeping the cost of the materials that enter into the building of their homes at a low enough figure, which in my opinion is possible only by the use of subsidies, we can provide them with small, modest homes that they can afford to own—instead of shacks as my friend rightly observes.

I think it is ridiculous for us to sit here all these days, wasting this time, when we know how serious this lack of housing has become. Remember, it is not just the veterans from California who are coming out there. It is veterans from every one of your States, my colleagues. I think we should all be interested in the welfare of all of them because they fought for us regardless of State boundaries and now the least we can do in return is to make it possible for them to have a home of their own in any place they choose.

The CHAIRMAN. The time of the gentleman from California has expired.

The gentlewoman from Illinois [Miss SUMNER] is recognized.

Miss SUMNER of Illinois. Mr. Chairman, when I see how some of these programs like subsidies come to be, I cannot help believing that the trouble is that some people stay in public office so long that they forget their ordinary common business sense.

Look at page 354 of the hearings, where one bureaucratic owl reached the conclusion, pompously, from the case of

southern pine, that because price ceilings were raised a number of times, a general price increase will not increase production. With that kind of logic, you might say that giving a couple of vitamin pills to a starving man every day ought to cure him of starving.

One reason why subsidies are so abhorrent to businessmen is because they are so utterly demoralizing to your plant or factory. A good price for each item gives the man who owns the factory an inspiration to try to get rich through lowering costs, through increasing production, and he hustles to do it, because every time he cuts his costs or increases his production he is going to make a little more money on each item. But subsidies have exactly the opposite effect.

Mr. BARRY. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. Not at present.

With subsidies you know that the Government is going to make up the difference between your loss and what they think you ought to have. So your impetus is to try to pad your costs, and feather bed your pay roll, and decrease your production, so that it operates very much like the cost-plus contracts with which you are so familiar and in which we found factories burying lumber and resorting to all kinds of evasions in order to cheat the Government and cheat the consumer. The producers, therefore, have logic and truth on their side when they say that giving a price increase rather than subsidies would eliminate this feather bedding and increase production, and in the end decrease the cost to the veteran and other consumers.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

The gentleman from Alabama [Mr. PATRICK] is recognized.

(Mr. PATRICK asked and was given permission to revise and extend his remarks.)

Mr. PATRICK. Mr. Chairman, I do not see how anybody can contend that to make an arrangement whereby prices would scale up, could provide the returning veteran a better approach to a home. You can argue that until the cows come home and it just will not pan out.

There is nothing more natural than that there will be some subsidizing necessary once in a while when you are putting on a program like this, to properly adjust its economy. Yet Congressmen are here who take fright at it. We were quite willing to appropriate billions to fight a war to save our hides and to draft these men to do the fighting, but since they fought it through we are not even willing to vote a drop in the bucket as a subsidy to see that they get a roof to live under.

When we went home we all promised the veterans to help them get homes. Now, when we have learned what we have to do to do that, do we not have the strength of purpose to put it through? What gets next to us and scares us is the ax-grinders club, our constituents with axes to grind; the ax-grinders club gets busy; the men who believe that the economy of this country rotates around the economy of their special businesses.

They immediately get busy and commence to oppose this program, and they oppose it by saying that it will not provide homes for the veterans. We have made a very careful study, the committee, the men whom we have employed, especially men like Mr. Wyatt, who is an expert on the matter; and all have learned the danger spots and have learned the trouble spots and they say: "There they are." And then because it will cut profits for a few personal and influential friends at home a little, because when we undertake to formulate the program we find it will deprive our most successful friends back home, will not let them make as much money as they expected to make we take cold feet. Instead of hitting somebody way off yonder, it hits somebody we know, someone who has been helping us run our campaign to get reelected, we forget the veterans and remember the friend. That is the God's truth, you know it is, and that is the opposition we are meeting right here today. I am going to face the facts and vote for this subsidy. You all promised to do the same in effect. The veterans are not going to ask me for bread and get a stone, or ask me for a roof and get only politics.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

The gentleman from Arkansas [Mr. HAYS] is recognized.

Mr. HAYS. Mr. Chairman, to reinforce the statement of the gentleman from Oklahoma [Mr. MONRONEY], I should like to refer to what my friend the gentleman from Michigan [Mr. WOLCOTT] said on February 26, as shown on page 1695 of the RECORD. These are his words:

There is no need for us to be contending with this very controversial subject of subsidies when authority is already contained in the law for the payment of them.

I refer to that because I think the gentleman from Michigan [Mr. WOLCOTT] is right; and it proves, as the gentleman from Oklahoma [Mr. MONRONEY] said, that the purpose and effect of his amendment is to give the payments congressional authority and a congressional limitation. I think the proper term to use is "incentive payment", but in order not to beg the question I use the word "subsidy." It was not rushed into by Mr. Wyatt—he took his time to study the proposal before recommending it. He has asked this Congress for authority to use it and I think we ought to give it to him, although at the same time I should hope to see the power used with great discretion.

Reference was made a while ago to the opening of the West by our early settlers. What was perhaps the greatest subsidy the country ever granted and it was for the purpose not only of getting settlers into the West and giving them a home site, but giving them enough land in addition to provide an income with which to pay for the home.

It was not only our first and most substantial subsidy, it was a highly profitable subsidy for the nation. In our present complex situation I think we can afford to do a little subsidizing for a program that is designed to stimulate housing construction and bring vast benefits to the country as a whole.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. RICH. Does the gentleman believe we ought to pile up a great debt by these subsidies that will have to be paid by our children and our children's children? Why should we not pay these bills as we go along?

Mr. HAYS. I agree that the gentleman has rendered a great service by emphasizing the need of paying our debts as we go along; and that is the reason I have joined him in opposing certain tax-reduction proposals.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. If I have any time remaining.

Mr. BARRY. Is it not true that during the war those who would profit by subsidies when they were asked for to keep the farmers' prices up were for them? Yet when the situation changes they take a different position.

Mr. HAYS. I regret that I do not have the time to answer the gentleman.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The chairman of the committee, the gentleman from Kentucky [Mr. SPENCE] is recognized for 5 minutes to close the debate.

Mr. SPENCE. Mr. Chairman, at the outset let me say that many of the Members believed there would be no vote on this substitute amendment tonight and have left. I do not think it would be fair to have a vote at this hour of the night as many of the Members thought there would be no vote.

At the conclusion of my remarks, therefore, I shall move that the Committee rise.

Mr. Chairman, if this is a government of the people and by the people and for the people, is the Congress justified in using some of the money of the people in order that a very great saving could be made to a large segment of the people, those who are in greatest need of help at this time?

I do not agree that in normal times subsidies are desirable, but we are in a great emergency, and we want production. We want all of the industries to produce to the extent that they can be persuaded to produce. In order to get production it is obvious we will either have to raise the price line of building materials high enough to induce the high-cost producers to make a reasonable profit, which would make an unconscionable profit for the highly organized, highly mechanized mass producers, or we will have to use a subsidy to put into production the low-cost producers.

It is estimated that the benefits accruing to the people of our country by reason of the subsidy will be many times the subsidy payments. The Government is not only a theory, the Government is a practical matter. As a business proposition, what private corporation would not use a subsidy under those circumstances?

Who is benefited by the subsidy? I do not say that this bill is only for the veterans, but the veteran will benefit under it more largely than any other class of our citizens. It is for his benefit. It

will save the veterans not \$600,000,000, but it is estimated it will save them many times that amount in connection with the purchase of their homes.

Is that not good Government policy? Is it not good business policy to adopt a method that will save people many times the amount of the people's money you appropriate for that purpose?

There has been a good deal of talk against subsidies. The prejudice, of course, is general against subsidies. No man can make a good argument against a production subsidy such as this, which is used to save the people many times as much money as is appropriated for that purpose, money that is used to benefit the class of people who have sacrificed themselves for our country and who are coming home now wanting to establish themselves in homes.

It is a part of the program of the President. Does that not appeal to you? I served here under a Republican President and I did not consider myself the opposition. I wanted to put my shoulder to the wheel and help. As long as you consider yourselves the opposition party, believe me, you are going to have no success nationally. You have either got to have a constructive program to meet the constructive program that is now submitted to you or the American people will not trust you with power. You have offered nothing as against the program of the President, the program now submitted to you.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—ayes 73, noes 128.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 91, noes 137.

So the motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HINSHAW] to the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the Hinshaw amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW to the amendment offered by Mr. MONRONEY: Strike out the words "conventional and new types of."

Mr. HINSHAW. Mr. Chairman, in order that the amendment may be understood, since it has been quite some time since the amendment was originally reported, I ask unanimous consent that the first four lines of the Monroney amendment be read with those words stricken out.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Monroney amendment as it would be if amended by the Hinshaw amendment: On page 12, line 3, strike out line 3 through line 13 and insert "Section 706 (a) Whenever the Director determines that it is necessary or desirable to employ premium payments for the purpose of increasing the supply of building materials, such premium payments shall be made by the Reconstruction Finance Corporation with respect to such materials."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California to the amendment offered by the gentleman from Oklahoma.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 91, noes 155.

Mr. PATMAN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported there were—ayes 92, noes 161.

So the amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, had come to no conclusion thereon.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the Appendix of the Record on two subjects, in one to include a statement by J. H. Lieb, legislative director of Amvets before a House Committee on February 19, 1946; and in the other to extend his own remarks on Terminal Leave.

Mr. HINSHAW asked and was given permission to extend the remarks he made in the Committee of the Whole this afternoon.

Mr. CARNAHAN asked and was given permission to extend the remarks he made in the Committee of the Whole today and include a letter.

Mr. PATTERSON asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today.

Appendix

The Iwo Jima Statue

SPEECH
OF

HON. BROOKS HAYS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. HAYS. Mr. Speaker, on November 10, 1945, the one hundred and seventieth anniversary of the founding of the United States Marine Corps, an interesting ceremony for the unveiling of the statue commemorating the raising of the flag on Iwo Jima was held in the city of Washington. The present location on Constitution Avenue is temporary, but efforts are now being made to provide a permanent location for this beautiful memorial.

The statue is the creation of Felix W. de Weldon, who was a member of the naval forces stationed at Patuxent Air Station at the time of the picture. The famous wire photo of Rosenthal's picture of the flag raising on Mount Suribachi reached the United States within 24 hours after the flag was raised, and when Capt. T. B. Clark, executive officer of the naval air station at Patuxent, saw the picture he called it to De Weldon's attention with this comment: "Here is something for you to do in sculpture. It is the greatest picture of the war."

The brilliant young artist started to work on it immediately and completed a model within another 24 hours. General Vandegrift and Admirals Jacobs and Denfeld viewed the model with enthusiasm. The three survivors of the battle who participated in the flag raising, Pfc Ira H. Hayes, Pfc Rene A. Gagnon, and John H. Bradley, pharmacist's mate second class, sat for their own likenesses. The pilot model was cast and presented to President Truman on June 4, 1945.

It was my privilege during the sculptor's progress on the heroic life-size model of the flag raising to visit him in his studio and to observe his work upon this significant memorial. The three survivors, with three other marines representing those who fell in battle, posed for the sculptor. For the faces of the three who were killed De Weldon used photographs furnished by the Marine Corps.

The base of the statue is an exact outline of the island of Iwo Jima. The statue is 36 feet high and weighs 20 tons. I am sure the Members will agree that it is an inspiring representation of one of the most important events of the war.

Shortly after the crucial battle of Iwo Jima, I introduced a resolution to change the name of the island to "the Marine's Island," and my action was inspired by the feeling which I know is shared by the membership, that in a certain sense the island had literally become the island

of the marines, for they had fought for and secured it at terrific cost. I did not ask for a hearing upon the resolution, however, because it appeared at once that the name Iwo Jima had become deeply embedded in the minds of the people and in their language.

While the proposal to change the island's name was strongly supported at first as a fitting tribute to the marines, it became evident that there were more appropriate means of honoring those who participated in the battle. The organization of a voluntary committee of friends of the United States Marine Corps for the purpose of providing a permanent location for De Weldon's statue presents such an opportunity to the Nation. I would therefore strongly urge that official recognition be made of these efforts and that encouragement be given to the raising of funds through voluntary subscription for the acquisition of the statue and its preservation in an attractive location in Washington City.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include the addresses of Gen. Alexander A. Vandegrift and Mr. De Weldon at the unveiling of the statue.

The SPEAKER. Is there any objection to the request of the gentleman from Arkansas?

There was no objection.

The address of General Vandegrift follows:

Mr. Chairman, we in the Marine Corps are proud that the men represented in this statue here to be dedicated are marines. We are proud with the same pride that we take in our entire years of tradition of which this deed has become an immortal part. But we have no illusions. We know that this statue commemorates much in addition to the courage of the marines—much more than the capture of a dominant height on Iwo Jima. We know that its meaning encompasses the whole effort of the people of our Nation.

I believe it to be highly significant that we Americans do not honor the event memorialized here in terms of conquest of territory or the spoils of aggression. To us, it stands as a legacy far more lasting than any material thing taken from the enemy, far more universal than the acquisition of 8 square miles of territory. The five marines and a Navy corpsman who placed the flag atop Suribachi typified the unsurpassed gallantry of all the men of all of the services who caused our total victory. Their courage was from exactly the same cloth as that which smashed the German war machine in Europe and the Japanese in every theater of war in the Pacific. The men who raised the flag symbolized the sacrifice made throughout the ranks of our fighting men. Three of the six died in bitter combat of the next several days. Thousands like them in every theater of war fell in defense of their country, and in the trust that after victory their Nation would dedicate its might to the maintenance of the peace and security to which they dedicated their lives in total.

May this heroic statue serve to remind all who pass that we must keep the faith with the brave and the fallen. A successful Victory Loan will help to complete what those men began. An America strong in heart, in spirit, and in arms is our best assurance of preserving the freedom for which they fought. They have done their full part. The rest is up to us, their countrymen of this generation and other generations to come.

The address of Mr. de Weldon follows:

Mr. Chairman, General Vandegrift, honored guests, ladies and gentlemen:

The publication of the Associated Press photo of the United States marines raising our flag on Iwo Jima gripped the American imagination as no other war picture has done. Twenty-four hours after this picture appeared I had completed the initial sketch of the statue which you see. I was on duty at the Patuxent River Naval Air Station at the time and used my week-end liberty to complete the pilot model of the statue which I later had the honor to present to President Truman.

In this present work it was my privilege to have posing for me the three survivors of the heroic action which this statue symbolizes. Through the cooperation of the Marine Corps, it was possible to obtain pictures of the three men who gave their lives in this bitter fighting. I tried in every way to achieve accuracy and realism in re-creating their epic of American bravery. I have tried to create more than a statue, however—it is my hope that this work will remain at once as a symbol, not only of the bravery of our armed forces but of the relentless determination of our people to defend democracy against those who would deny the fundamental dignity of man.

This flag which we honor and under which we serve is the emblem of our unity, our power, our thought and purpose as a nation. It has no other character than that which we give it from generation to generation. The choices are ours. It floats in majestic silence above the hosts that execute those choices, whether in peace or in war. And yet, though silent, it speaks to us—speaks to us of the past, of the men and women who went before us, and of the records they wrote upon it. It has witnessed a great history, has floated on high—the symbol of great events and a great plan of life worked out by a great people.

The National Debt Gets a Lift

SPEECH
OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. LUDLOW. Mr. Speaker, the hearings of the Subcommittee on the Treasury and Post Office Departments appropriations, of which I have the honor to be chairman, have produced one notable result.

In the course of the hearings we elicited some testimony on the conscience

fund. A conscience-stricken citizen read the testimony and sent me these two \$10 bills without a word of explanation as to what was hurting his or her conscience. The conscience fund is a part of the general receipts of the Treasury, and I am sending these two bills to Secretary Vinson to be applied to the national debt.

By a singular coincidence this contribution comes from the State of Pennsylvania, ably represented in part by the gentleman from Pennsylvania [Mr. RICH], who so often arises and propounds with telling and incisive force the inquiry, "Where are you going to get the money?"

His question is partially answered by his fellow Pennsylvanian. If other Pennsylvanians who may be similarly burdened in mind and other citizens of other States with sensitive consciences, would follow suit the national debt might be whittled down considerably, although the debt has burgeoned forth into such proportions that, optimistic as I am, I would hardly venture to predict that it could ever be entirely paid off in that way.

The conscience fund was first established in 1811 when the intake was \$250. The American conscience has been working regularly ever since, except in 1848. Either the conduct of our people was perfect in that year or consciences were not in good working order as that was the only year since 1811 when there were no contributions to the fund. The smallest annual intake was \$6 in 1827 and 1852. The largest was \$118,117.71 in 1945. The \$20 I am sending to Secretary Vinson will bring the total conscience contributions up to \$910,884.83.

Surplus War Goods

SPEECH
OF

HON. WESLEY A. D'EWART

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. D'EWART. Mr. Speaker, the sale and disposal programs of the Surplus Property Administration and its present successor, the War Assets Corporation, have been and are today a complete and dismal failure so far as the people of the State of Montana are concerned, and I believe this is equally true of surrounding States.

During my recent visit to Montana I listened to complaints on this subject from the Governor of the State and almost all of the veterans, city officials, school officials, labor organizations, ranchers, and businessmen with whom I talked. Since I returned, the complaints have continued to flow in in my correspondence, and I am firmly convinced that they are justified and that the disposal program so far as we are concerned has failed utterly.

In mid-January after many of these protests had been brought to the attention of Surplus Property Administra-

tion officials, a disposal depot was established in Helena. We thought that would take care of some of our difficulties, since theretofore it had been necessary for Montanans to travel many hundreds of miles to Utah or Seattle or Denver to view or be present at the sale of surplus goods. Material had been moved from Montana to the coast, and our buyers, when they were fortunate enough to make a purchase, were forced to pay shipping charges back to Montana.

We thought the Montana depot would solve that problem. Instead, I have a telegram from Lieutenant Governor Eaton announcing the creation of a committee to try to secure some surplus goods for Montanans. He asks that we make whatever changes are necessary in the War Assets Corporation system to insure that veterans get the priority to which they are entitled.

I have a letter from a member of that committee, Herbert Kibler, the adjutant of the Montana Department of the American Legion, replying to my request for information concerning the depot at Helena. I read from this letter:

For your information, the only surplus at the depot which will be up for sale shortly is a great deal of oil and greases, some plate steel, enamel, and also about three or four portable electric welders.

Montana needs a lot of things besides greases and three or four electric welders.

As matters now stand—

Mr. Kibler continues—

anyone from Montana who desires to purchase any surplus is required to go to Seattle or down to California and take his chances on being able to purchase what he desires. In most instances, on his arrival, he finds that the surplus he might be interested in has all been disposed of, and what might be termed just plain junk is all that is left.

In my last conversation with Governor Ford, of Montana, he told me that the State of Montana had sent a man up and down the west coast to all the disposal centers in the area in an attempt to buy some of the many items which would be useful to, and are urgently needed by, various departments of the State government, including the hospitals and colleges. The State university system itself maintained a purchasing agent at one of the disposal centers. But at that time, and this is still true, so far as I know, the State of Montana has not been able to buy anything because local bidders and buyers of large lots took all available material.

I do not think an individual veteran has much chance of getting what he wants if the State purchasing agent in a tour of several States is unable to buy anything.

I believe that the War Assets Corporation should make it a policy to supply interior States with a fair share of available and useful goods, so that we may benefit from this program. It is apparent at present that coastal States and areas of heavy population are taking the cream of the surplus war goods. Some adjustment must be made in the priority arrangement so that the veteran really will have an opportunity to get

some of these materials. An early solution to this problem is required if the people of Montana and other States in a similar position are to get any surplus goods.

Housing Stabilization

SPEECH
OF

HON. JESSE P. WOLCOTT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think we should have in mind that in adopting the committee amendment we seek to restrict the authority to put ceilings on housing accommodations to new construction. Now, it does not actually do that, but that is the intent of the committee. The intent of the committee in adopting the amendment offered by the gentleman from Georgia [Mr. BROWN] in committee to restrict the ceiling to new homes is negated by certain other language in the section. For that reason, and for the reason that there is a conflict of opinion as to what this paragraph does, we can perhaps settle the question of intent by adopting the committee amendment, whether it is the intent of this committee to broaden the bill to include ceilings on old construction as well as ceilings on new construction. That is all this committee amendment amounts to.

Under the formula advocated by the gentleman from Texas the veteran would have to take all of the inflation, and then because of the controversy which is always raised in OPA as to whether the work constitutes improvements or is purely current maintenance the veteran might find himself in a position where, after purchasing the home, after modernizing it, after modernizing the bathroom and the kitchen, having put on a new roof, and new heating equipment, he runs the chance of having the Expediter say the same as OPA says today, "Sorry, brother, those are not improvements; those are merely maintenance. Therefore, if you sell the house you cannot add those improvements onto your price."

We just do not know what we are doing with this, so the best thing to do is give it a little more thought, perhaps, before we tie the veteran up in a knot like that. That is why I am fundamentally opposed to putting ceilings on old homes. There is no particular necessity for putting ceilings on new homes, for the reason that, if this bill or the substitute which I shall offer is adopted, all homes built under title VI being built

under strict controls, a home cannot be sold for more than a certain price set by FHA in order to have that home qualified for insurance. Also, as to the allocation of materials which are under price control, there is no thought that we are going to take price controls off building materials at this particular moment. The authority which is now vested in the Expediter to allocate materials carries with it authority to channel these materials into homes which will not be sold for over a certain amount. So we have very effective controls on the price of new construction at the present time.

I think the committee amendment should be adopted, but I think then the whole section should be stricken out and, when the proper time comes, I shall offer a substitute to the whole bill, in which this particular subject is left out. I certainly cannot go along with the idea that we are going to build any new homes by putting maximum prices on them.

citizens of this community that the Federal Office of Price Administration not only be continued but that it increase its vigilance in establishing ceiling prices not only upon the products of industry but upon home and building construction; and be it further

Resolved, That our representatives in Congress be urged to exert every influence to maintain the continued existence of this most essential Federal agency; and be it further

Resolved, That the county clerk be, and is hereby, directed to send a certified copy of this resolution to the Congressmen representing this county and the Senators representing the State of Wisconsin.

OFFICE OF THE COUNTY CLERK,
Milwaukee, Wis., February 28, 1946.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Board of Supervisors of Milwaukee County at an annual meeting of said board held on the 19th day of February 1946.

[SEAL]

GEO. F. BRUTOEL,
County Clerk.

Necessity for Further Price Control

SPEECH
OF

HON. ANDREW J. BIEMILLER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. BIEMILLER. Mr. Speaker, over the week end I received a resolution from the Milwaukee County Board of Supervisors which I desire to read into the RECORD.

You will note that the resolution states the county supervisors are convinced that the great majority of the citizens of Milwaukee County want the OPA continued and want it to establish ceiling prices on home and building construction.

Some Members have come into the well of the House and solemnly proclaimed that the people overwhelmingly are opposed to price control and particularly to controls on the price of houses.

Mr. Speaker, I submit that the members of a county board are generally pretty close to the people. They know what the people are thinking. I believe that this resolution accurately reflects the mood of the American people respecting price control, and I commend it to those Members who so ardently assure us that the American people want price controls abolished.

Whereas, judging from articles appearing daily in the public press, there seems to be an ever-growing movement, particularly on the part of management and industry, to secure the abandonment of the Federal Office of Price Administration, which agency has during the war been so successful in maintaining price ceilings and preventing the inflation which marked the history of World War I; and

Whereas, in our judgment, continued vigorous enforcement of price ceilings by the Federal Government is the only force that can successfully prevent a postwar runaway inflation period that must ultimately result in great hardship to the working classes: Now, therefore, be it

Resolved, That the Milwaukee County Board of Supervisors by these presents record the conviction of the great majority of the

While the World Goes Hungry

SPEECH
OF

HON. JACK Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. ANDERSON of California. Mr. Speaker, while the world goes hungry and while fresh food crops rot in the fields; a jurisdictional dispute between the A. F. of L. and the CIO Cannery Workers Union in California has effectively tied up 98 food-processing plants in that State.

In a recent decision, the NLRB set aside a disputed election which was held last October for the purpose of selecting an exclusive bargaining agent for the cannery workers. In addition to setting aside the election, the Board stated that "none of the unions is entitled to an exclusive status as the bargaining agent after March 1." I have appealed to the Chairman of the NLRB and to the President to maintain the status quo that existed prior to March 1 until another election is held and an exclusive bargaining agent is selected. This appeal has been rejected.

Now comes a story from California to the effect that the United States Department of Labor Conciliation Service has declined to intervene in the jurisdictional dispute. A statement issued Saturday by the United States Labor Conciliation Commissioners read as follows:

The momentum of the forces involved has become such that the usual mediative procedures are not feasible—at least, until new and imperative factors emerge or are injected into the situation.

Mr. Speaker, immediate action by the President of the United States is imperative. Something must be done to save the farmers' investments and to insure the orderly harvesting and processing of California's fruit and vegetable crops that are so badly needed here in the United States and by the starving countries in Europe. I appeal to the

President to invoke his full authority in order to bring peace to this troubled labor front.

Under leave to extend my remarks, I wish to include the following pertinent and timely editorial from the San Francisco Chronicle of March 1:

WHILE THE WORLD GOES HUNGRY

A few weeks back, the National Labor Relations Board penned some words which in the normal course of events are going to have an effect upon the entire world. Because the ramifications of these words are important to the California housewife, the Czechoslovak peasant, the Russian worker, and the French tradesman, they bear quoting.

Discussing last fall's challenged elections among the northern California cannery workers, the Board ruled that the results of the elections should be set aside. But the important words are these:

"While we view the record as requiring this result, we reach it with considerable reluctance, because it means that the employees will have no bargaining representative to negotiate an exclusive collective agreement to cover the coming season, until a new election can be held, which may result in one of the rival unions being certified. The current AFL contract will expire on March 1 and, since the legal effect of the foregoing determination is to keep the question of representation pending before the Board, none of the unions is entitled to an exclusive status as the bargaining agent after that date."

BOYCOTT SCHEDULED FOR TODAY

Today is March 1. As of this date, the AFL Teamsters' Union has scheduled a boycott of northern California's canneries, which will close them up tighter than a drum. In the next 4 or 5 months, unless some settlement is reached, one-third of the Nation's annual crop of canned fruits and vegetables—the normal allotment of this prolific region—will rot in the fields. At a time when the United States has shouldered the burden of feeding a good part of the world, as well as its own people, the consternation will not be limited to Americans. Other, hungrier, peoples will turn to us with the same question: "Why?"

It will be the purpose of this editorial to reduce the answer to its simplest terms.

For the past 9 years, the AFL Cannery Workers' Union, an affiliate of the Teamsters' International, has had an exclusive bargaining contract with the canners of northern California. The current contract, of 1 year's duration, expires today.

Last fall the CIO Food, Tobacco, Agricultural and Allied Workers' Union of America, the "FTA," which had undertaken to organize the cannery workers, asked the NLRB to hold an election to determine whether the majority of workers preferred the AFL or the CIO.

ELECTION RESULT IS VOIDED

On the basis of counted ballots, the CIO won a plurality by some 1,200 votes, but failed to win a majority. The AFL promptly challenged some 1,290 of the ballots, and the Labor Board declared the election null and void, and recommended another election be held at the next period of fullest employment in the industry—next July or August.

But the NLRB did not stop there in its decision. It went on to proclaim, in the words quoted above, that "in accordance with well-established principles" the employers had but two alternatives during the season just ahead—to bargain with all unions on an impartial basis, or to bargain with none.

The AFL, thus seeing its exclusive grip on the industry broken by board ruling without the benefit of a valid election, rebelled. The CIO, on the other hand, quite understandably hailed with joy this opportunity to get its foot in the door without the usual recourse to a formal election.

So the teamsters said in effect: "Extend our 9-year contract until such time as a new election is held, or we won't play."

And the CIO told the employers in effect: "You heard what the NLRB said—now abide by the ruling."

The employers, this time, are by no means alone in their role of innocent bystander caught in the middle. They have with them the farmers, who stand to lose the profits of a year's labor; the American public, which stands to lose a third of its fruit and vegetables for the year, and a few million hungry world citizens, who seem about to learn that the vaunted American food surplus which was to tide them through the next year is in large part a mirage.

DECISION WAS IMPRACTICAL

The neutrals who are charged with unraveling this knot like to dream of going back to the day the NLRB rendered its decision, and conjuring up a ruling which merely voided the election, without any added strings with regard to what the employers could or could not do by way of bargaining. That way, the AFL could have renewed its contract, the CIO could, had it desired, have challenged the legality of it, and the whole thing could have gone into extended litigation. In the middle of the litigation, the regular election could have been held as scheduled next summer, and the result would have rendered the litigation strictly academic anyway. Meanwhile, the produce would have been canned on schedule.

But that's just a pipe dream. What the conciliators have to face now is the problem of which alternative they can persuade the parties to accept—if any.

The teamsters' union could, if it chose, back down from its boycott. This would constitute a piece of labor statesmanship which would gain the union more in public esteem than it stands to lose in leaving the CIO's foot in the door.

CONCILIATORS ARE BAFLED

The NLRB could, if it chose, modify its decision, even at this date, to leave the way open for litigation to take place while the crop is being canned.

Such action on the part of the Labor Board would involve loss of face, true, but the loss would be rather nominal. Its bureaucratic face is not in very good repair at this point anyway, considering that, through its stubborn administration of book rules, it has jockeyed a vital industry into a cul-de-sac which is currently baffling the best minds of the Conciliation Service. The NLRB muffed a golden opportunity for some bright labor statesmanship of its own when it failed to resist the temptation to write its own interpretation of the Wagner Act into its decision. The face it stands to lose in reversing itself now is trivial as compared with the amount of the same commodity it may relinquish if the pending mass crop rotting becomes a fact.

And, unfortunately, the NLRB's face is not the only factor at stake at this moment. The health of a few million Americans, and the lives of a few million unfortunates elsewhere in the world, demand consideration in this crisis.

mit herewith a very well-written article from the March issue of Nation's Business, written by that able and well known Washington correspondent, Lawrence Sullivan:

THE HIGH PRICE OF PRICE CONTROL

(By Lawrence Sullivan)

"Hi diddle, diddle, we're caught in the middle;
The wells of the market run dry—
The ceiling on prices produces a crisis
That leaves us with nothing to buy."

President Truman has referred to 1946 as "a year of decision." The trails we blaze on the reconversion road this year will determine the course of our national economy for perhaps a decade. Does reconversion mark a road toward resumption of competition and free enterprise, or a movement toward a permanent system of managed economy—an American adaptation, perhaps, of Europe's now prostrate systems of national socialism?

The big decision, say many leaders in both Congress and business, will come on price control. The present law expires at midnight June 30. President Truman has urged its extension. Will Congress concur?

Price control is the very essence of managed economy, or economic regimentation. If the Government is to control peacetime prices, it soon will discover—as it did in wartime—that it also must control production specifications, wages, raw materials standards, distribution margins.

"Price control saved America from a disastrous wartime inflation," say the friends of OPA.

"Price control is throttling reconversion, curtailing employment opportunities, demoralizing established business methods and practices," cry the defenders of the American enterprise system.

The debate is on.

Whatever may be said for OPA as a wartime agency, the pressing civilian needs of the reconversion period present a vastly different problem. In wartime, a policy which discouraged civilian production and consumption through inequitable pricing may have been justified in that it tended to divert materials and manpower to war goods. But precisely the opposite is needed in peacetime pricing. The American people today want goods. Any Federal control which stifles or limits production or distribution is subject to challenge.

LOW PRICES, FEW GOODS

Three committees of Congress already have heard segments of the story of the price of price control. The House Banking and Currency Committee took down some 1,300 printed pages of testimony last summer in connection with the extension of the Emergency Stabilization Act; the special Smith Committee Investigating the Executive Agencies has issued two reports on OPA; and the Senate Small Business Committee has documented more than 5,000 specific complaints from the business community on the general theme, How OPA cut my throat.

"The real preventive of inflation is production," the businessmen tell Congress. "Take OPA off our necks and let's get going."

"No," says the newly appointed Economic Stabilizer Bowles, in effect. "Price controls must not be removed until production is adequate."

But OPA tells manufacturers that their postwar prices must be related generally to their 1942 prices—despite the fact that industrial raw materials now are about 28 percent higher, and average straight-time hourly wages are up. Meanwhile, the weighted average of wholesale prices for manufactured products has risen only about 8 percent. This squeeze on operating margins, businessmen contend, has curtailed production, crippled normal distribution in many lines at both the wholesale and retail levels, introduced a new system of merchandizing best described as the "I know a guy" outlet.

Many fear that another year of price control would so disorganize and dislocate the normal pattern of our American economy that prolonged regimentation would appear perhaps irresistible.

Every major nation tried price control in World War II. But in most European countries, wartime price control was but an extension of the peacetime pattern of managed economy. In Germany, Russia, Italy, for instance, the pattern of dictatorship was the peacetime norm. Wartime price controls were merely another step along a familiar path. In America, however, price control was a new and alien thing—tolerated everywhere only as an emergency measure which, by implication at least, would be abandoned at the earliest moment possible.

Price control ran against the grain of America on many counts. Over large areas of business it diverted ingenuity and the skills of management from production to distribution. It introduced an era of trickery and border-line compliance in every avenue of marketing. Price ceilings tended in many lines to drive low-cost merchandise completely from the market; to divert essential allocated materials from staple civilian merchandise to price-free luxury goods; to undermine every natural impulse toward quality merchandise.

SHODDY DEALINGS

Consumer morale was shocked by an ever-spreading system of favoritism, behind-the-hand deals, tips and gratuities for scarce merchandise. The consumer soon lost his vaunted place as monarch of the market and became a pitiable thing, pleading for a chance to buy.

The result was a grievous distortion of the entire economy of the United States evasion, deception, substitution replaced the traditional American business standards of quality, fair dealing, and faithful service.

The American people want to get on the beam once more—the beam of maximum production, full employment, normal distribution, and competitive prices for honest merchandise. To do this, say those who have studied price control at close range since 1941, they must slam the door of history on an experiment which, in peacetime, has neither reason nor experience to recommend it.

Inferior products, through substitutions, dilution, or skimping, have been one notable result of price fixing in the reconversion period. The Smith committee's reports document scores of instances in which high-quality products of the prewar days were driven from the postwar market by ceiling prices lower than postwar production costs—only to be replaced in the course of a few months by an inferior product officially ceilinged at a higher price.

CHEAP ROBE AT HIGHER PRICE

One long-established firm, the hearings disclose, sold a quality bathrobe recognized in the trade as a superior garment. OPA set the ceiling price at \$3. The manufacturer could not make a profit at that price. But a new manufacturer who came in with no prewar cost experience then got a ceiling of \$3.25 for his robe, with a poorly finished collar, careless seams, cheap binding, and a sleazy cord. With a higher price for an inferior item, the new producer can supply plenty of robes at a profit, and that is what the trade now gets. Meanwhile, the established and experienced producer of the quality product is ceilinged out of business.

A manufacturer of infants' dresses got a ceiling of \$8.50 a dozen—too low to allow a profit. But a newcomer in the field got a ceiling of \$10.50 for an inferior product.

In men's shirts, two different producers got ceilings of \$3.50 and \$3.55 per dozen for standard prewar garments. But a new starter in the field got a ceiling of \$7.35 a dozen for a garment "made of white sheeting."

The High Price of Price Control

EXTENSION OF REMARKS

OF

HON. ROBERT A. GRANT

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1946

Mr. GRANT of Indiana. Mr. Speaker, under leave to extend my remarks, I sub-

An honored maxim of postal workers comes from Herodotus. It is: "Neither snow nor rain nor heat nor gloom of night stays these couriers from swift completion of their appointed rounds."

As the most faithful of public servants, and so recognized by the public they serve, they deserve generosity. So far they haven't obtained justice. Congress must heed their reasonable pleas for pay adjustment.

The Housing Shortage

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 28, 1946

Mr. WOODRUFF. Mr. Speaker, under permission to extend my remarks in the RECORD, I am enclosing a very comprehensive letter from a constituent in which he discusses the present building impasse. I commend this letter to the attention of every Member of the House and the Senate, the Members of which can profit thereby. At this time we have before us in the House of Representatives legislation which proposes to speed up the construction of housing for our people. We can well take a leaf out of the experience of this constituent, a veteran of the First World War and an experienced builder.

The letter follows:

Hon. ROY O. WOODRUFF,
House of Representatives,
Washington, D. C.

DEAR SIR: I have never written you before, and will try to make this letter brief, but conditions in the country have reached such a stage that I think people should let their Congressmen know how they feel about things, so I want to get in my 2 cents' worth.

I am a veteran of the First World War, and a builder by trade, the past few years have specialized in the designing and building of log cabins. My work was stopped by the war. Then I worked for the Ordnance as a civilian employee until the end of 1945. For years we have been planning on building a tourist resort of log cabins and have put all our savings into the project, but now it seems that new Government restrictions on building will kill our chances.

We all know there is a shortage of homes, but think they are going about it in the wrong manner. The bottlenecks have been shortages of material mostly, and we believe the present condition of the country is due to the antics of the labor unions and the New Deal, which has never solved anything yet. Instead of creating another czar, this time in the building industry, why wouldn't it be better to make materials available to all, and without restrictions on the use of that material?

If we have so much money that we can underwrite the British and Russian Empires why can't we use some of it, if necessary, to encourage increased production of building materials through subsidy for a few months, or until production catches up with demand? Our idea is to put reasonable price ceilings on materials, but lift all restrictions on the use of them. Then you will see some building; every builder will go to bat and we will get those homes we so badly need. But with more Government restrictions, I am afraid it will defeat the very purpose we are trying to achieve, more homes. No builder wants to have some dizzy New Dealer telling him how and when and where he can build, but make materials available to all, and at rea-

sonable costs, and lift restrictions on their use and we will see those badly needed homes going up. Lumber, like a lot of other items, is too high. It could be brought down for the time being, by subsidy, until supply catches up with demand, then a builder will have some idea what his jobs will cost and can go ahead without fear. Everyone would benefit by getting homes at reasonable cost, and our money would be helping Americans first, instead of all the rest of the world. I have talked with a number of builders and men in business closely associated with the building business, and we all feel the same way about it—put reasonable price ceilings on materials to encourage their production, remove all restrictions on the use of building materials, making them available to everyone without priorities or other restrictions—then we will get homes.

As to the present labor situation, we are getting no where, and fast. The present labor policy is leading us straight for the worst kind of inflation and then depression. We must have drastic labor laws to pull the stinger out of the unions; their arrogance and selfishness and political power will ruin this country, and they must be curbed, or do we want to follow the path of France? France patterned its prewar government after our New Deal; we all know what happened to France. Labor unions are all right if kept in their place, but today they are misled (not led) by rotten thugs and gangster politicians, Communists, and other radicals, and we think Congress should do something about it, or we might as well hand the country over to them.

Our only hope now lies in Congress; it will be too long to wait till the 1948 election; too much damage is being done now, and we can be completely lost if we wait much longer.

As to the UNO, we don't think the permanent home of the UNO should be located in this country. Why have a supergovernment within our borders? It would mean a nest of international spies always within our borders, and since the sun never sets on the British Empire, why not use one of the many islands the British own, anywhere they might want, and use it for the home of the UNO, which I think will turn out to be just another dream and a debating society, sponsored by the Democrats. We can't legislate peace into the peoples of the world; it must be in their hearts and minds. Treaties are only scraps of paper when they want to make it so. We have seen how the various nations double-cross each other. Could we trust them because of a signed piece of paper? I don't trust Russia any more than I do the New Deal, and why should we underwrite Russia or England? Do we have to buy their good will? If so, we had better save our money and use it for America and Americans. Keep our defense forces intact, and let us not scrap our weapons as we did before. No treaty will enable us to get sudden production when we might need them again.

As to the OPA—it is getting to be a joke, but not a funny one. They have failed in their purpose; prices have gone up and still going up, and we think they should be eased out of existence very soon. Keep fair-price ceilings on certain things such as building materials, clothing, and perhaps a few other items, but for a short time only, so production will catch up with demand; then remove OPA and give the people of the country a chance to adjust themselves without Government interference. There might be some confusion to start with, but it will soon adjust itself. If certain things go too high, a boycott will take care of that, then later, after production is increased, competition will even up our keel. What we need is production, and more of it, and the removal of restrictions. Let us not socialize the building industry for another gang of bureaucrats. This is the finest country in the world. Let us keep it that way.

Very truly yours,

C. R. MARTIN.

Demobilization of Men Overseas

EXTENSION OF REMARKS

OF

HON. JAMES P. GEELAN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. GEELAN. Mr. Speaker, under leave to extend my remarks, I include in the RECORD a letter received under recent date from Mr. Clinton S. Golden, chairman, CIO Veterans Committee, in which he advised me that he was enclosing a copy of an open letter to the Congress of the United States, attention of the Honorable Mr. MAY, chairman of the House Military Affairs Committee, which letter was signed by Sgt. James H. Roof, Jr., and 110 other soldiers presently stationed in Seoul, Korea, which I also include in the RECORD:

OFFICE OF VETERANS COMMITTEE,
CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., February 11, 1946.

MY DEAR CONGRESSMAN: Attached is a copy of a letter and petition signed by 111 soldiers of the American occupation forces in Korea and addressed to the Congress of the United States. It was sent to the CIO with the request that we endorse and forward it on to the Congress.

We are much gratified with this expression of confidence in our organization, and we are happy to comply with their wishes insofar as possible. We must point out, however, that the CIO believes replacements for the absolute minimum of our military needs can be met by voluntary enlistment if Army pay schedules are made attractive and if the outworn and undemocratic Army caste system is abolished.

Sincerely yours,
CLINTON S. GOLDEN,
Chairman, CIO Veterans Committee.

SEOUL, KOREA, January 22, 1946.
Mr. PHILIP MURRAY,
President, the Congress of Industrial Organizations, Washington, D. C.

DEAR SIR: You will find enclosed a copy of an "open letter to Congress." I am sending this letter to you because we soldiers are of the belief that your organization is the friend of the common man. We believe that your many millions of members can and will do all in your power to assist us in getting a square deal on the matter of serving in the armed forces of the United States. We know that you agree with us that this burden should not be placed on a few hundred thousand of us while all the rest of the men in our country are at home enjoying their homes and children.

We ask you to please endorse this letter and forward it on to Congress with the full weight of your committee behind it. We would also appreciate it very much if you would publish it in your union papers.

As one American citizen to another we will appreciate your every effort in our behalf.

Thanking you in advance, I remain,
Sincerely yours,
JAMES H. ROOF, Jr.,
First Sergeant, 38736500.

SEOUL, KOREA, January 19, 1946.
The Honorable Mr. MAY,
Chairman of the House Military Affairs Committee, House of Representatives.

AN OPEN LETTER TO THE CONGRESS OF THE
UNITED STATES OF AMERICA

DEAR SIR: Undoubtedly you have received many letters of this nature. We American soldiers are often called chronic complainers,

but we believe that we have a just cause. We still believe that we are American citizens, and we still believe in the democracy that our buddies fought and died for. But we feel that we are not getting a democratic American square deal on service in the Army from the standpoint of demobilization of men overseas, now that the war is over. The following are our reasons:

1. Why are men in the States being declared surplus and discharged, regardless of points, length of service, age, or dependents, while we who are overseas are told that we cannot be discharged or sent home because there are no replacements available?

2. We are told that there are 400,000 surplus men in the Pacific theater of operations. Why aren't the high-point men, combat men, men with 1 or more children, and over-age men screened out of the Pacific theater force and sent home at once? Are replacements necessary for surplus men?

3. Why are men over 37 years of age being discharged in the States and at the same time men over 37 years of age who are overseas are told that they will have to wait until they have reached their thirty-eighth birthday?

4. Why should the burden of occupation be forced on a few hundred thousand men who happened to be overseas at the end of the war?

5. Why is it necessary for any man to have to serve more than 18 months when our Nation has 140,000,000 people to draw from, and approximately half of that number are men?

6. Why is it necessary to occupy friendly nations such as Korea, China, the Philippines, India, Africa, and the Hawaiian Islands? Are we a world police force? We can understand the occupation of Japan and Germany, but not the rest of the world.

The following is what we want and think should be done. We are submitting this for your consideration and action:

1. Continue the present rate of demobilization until the goal of July 1, 1946, is reached, namely, 1,500,000 men as set by the War Department.

2. Pass necessary legislation to continue selective service in sufficient numbers to assure a sufficient number of replacements on the basis of a maximum length of service of 18 months for all drafted men.

3. Pass necessary legislation to make the Army as a career more attractive from an economic standpoint as compared with similar civilian activities. One hundred dollars a month minimum pay would make possible an Army of 3,000,000 or more by voluntary enlistments and the Army could select the best of manpower from the millions of applicants that would be available.

4. Set up a rotation system for overseas service so that no one drafted man would be forced to serve, against his will, more than 1 year overseas.

5. Set up a discharge system covering the following four categories for men drafted before VJ-day:

(1) Points based on months of service (make the point score accumulative, giving each man his point credits each and every month, based on double credit for each month overseas).

(2) Dependents (all men with more than one dependent drawing dependency benefits should be discharged at once if the man so desires.)

(3) Age (all men who have reached their thirty-fifth birthday should be discharged at once if the man so desires.)

(4) Maximum length of service of 18 months for all drafted men with the continual reduction of number of months of service of men now in the Army until the goal of 18 months is reached.

(5) A comparable system should be set up for all officers who were drafted prior to VJ-day based on the above criteria.

Mr. Congressman, is it the will of our people through the House of Congress that

determines the laws and policies of our Government, or is it the will of the War Department through the House of Congress that dictates the laws and policies of our Government and people?

We feel that we are being reasonable—don't you? All that we ask is fair play. Is that asking too much?

What are you going to do about this problem, Mr. Congressman? Don't you think that there has been enough dilly-dallying already? When are you going to act?

We are writing this letter to you as American citizens and we expect to be treated as American citizens. Your cooperation will be appreciated and remembered.

Sincerely yours,

We, the undersigned do hereby endorse and approve the above letter in its entirety as representing our views and opinions and we believe that its contents represents the views of the majority of all American soldiers in Korea.

JAMES H. ROOF, Jr.,
First Sergeant, 38736500.
(Also signed by 110 other GI's.)

Protecting the Supreme Court

EXTENSION OF REMARKS OF

HON. JOSEPH P. O'HARA

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. O'HARA. Mr. Speaker, I recently introduced in the House a bill, H. R. 5146, relating to the performance, by Federal judges, of services for the United States not related to their judicial duties.

Under leave to extend my remarks in the RECORD, I include the following excellent editorial which appeared in the Mankato Free Press, Mankato, Minn.:

PROTECTING THE SUPREME COURT

When the history of the troubled era through which we are passing is written by objective historians one of the strong, influential, and stable figures in American public life will probably prove to be Chief Justice Harlan Fiske Stone.

Chief Justice Stone took over as head of the Nation's highest judicial tribunal at a time when public respect and regard for the court had been rudely shaken by President Roosevelt's bitter attack on the "nine old men" and by his unsuccessful efforts to purge the Court and make it over to conform with his personal economic theories. Quietly but effectively through the years, Chief Justice Stone has been laboring to restore the court to that position of high dignity and esteem which it formerly has held, and which it always should hold, in the public mind.

One of his particular efforts has been to urge members of the court to refrain from undertaking other activities, from listening to the lure of active politics, from permitting their names to be used as possible candidates for other offices—even for the Presidency.

It is now known that President Roosevelt asked Chief Justice Stone to conduct the Pearl Harbor investigation. He refused on the ground that other men were available and that a member of the Court should not engage in such activities. Mr. Justice Roberts later accepted the invitation to serve. The action of Mr. Justice Jackson in serving for the United States in the war criminal trials at Nuremberg was disapproved by the Chief Justice and only recently he is known

to have strongly opposed the possible resignation of Mr. Justice Douglas, to serve as Secretary of the Interior.

These actions do not merely stem from a high regard for the proprieties by the Chief Justice—they are founded on hard reality as well. Repeatedly recently justices have either been away from the Court, as Justice Jackson is now, or they have felt compelled to disqualify themselves for cases because of activities they had, outside the court, bearing on these cases. As a result, only eight justices consider a case; frequently 4 to 4 decisions result and then the case has to be argued over again; valuable time is lost both to the Court and to the litigants involved.

So serious has this situation become that Representative JOSEPH P. O'HARA of our own second district, has introduced a law to bar all Federal judges, Supreme Court justices included, from performing outside activities. Such legislation will unquestionably meet with the approval of Chief Justice Stone and of the public generally as well.

Outstanding Citizen

EXTENSION OF REMARKS OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. MARTIN of Iowa. Mr. Speaker, throughout World War II, I have made a very careful study of the service rendered by the newspapers of the First Iowa District to our boys and girls on the fighting fronts and in varied assignments all over the world. Many of these newspapers have given outstanding service and it has been recognized by the men and women of the First Iowa District serving in the armed forces throughout the war; by the relatives of these service men and women; and by the entire community served by these papers.

One of the most outstanding examples of service of this kind was that given by John O'Donnell, of Davenport, Iowa, who conducted a weekly section in the Davenport (Iowa) Democrat under the title of "Dear Joe." Mr. O'Donnell's service was so outstanding that I placed in the CONGRESSIONAL RECORD on March 28, 1945, a very fitting description of his work, written by Mr. Hugh Harrison, managing editor of the Davenport (Iowa) Democrat.

The Lions Club of Davenport, on Thursday night, February 21, extended further highly deserved recognition to Mr. O'Donnell and paid tribute to him as the outstanding citizen of Davenport, Iowa, for the year 1945.

I am including here an editorial from the Davenport Democrat of Friday, February 22, which describes the tribute to Mr. O'Donnell:

OUTSTANDING CITIZEN

A representative gathering of citizens, men and women, some 400 in number, at the Masonic Temple, Thursday night, paid tribute to John O'Donnell as the outstanding citizen of Davenport for the year 1945. The event was sponsored by the Lions Club.

Hardly had the program started but John must have discovered he was among friends. Leading citizens of the community sounded praises of his splendid work in behalf of

abide by the constitutional right of every man to life, liberty, and the pursuit of happiness, which includes work.

What price strikes? A school boy knows that when nothing is coming in, nothing can go out. Strikers who refuse to work throw away income and when income is willfully denied one's self, so also is purchasing power. The powers behind strikes talk of "living wages," "more money," "decent pay," but do they explain to those who listen and obey how long it will take to make up what strikers lose during a strike that continues week after week.

The current wave of strikes started out to be a 30-percent pay raise proposition. What is being gotten varies, but it is not 30 percent. Once the current wave settles down, it can be expected that the radicals, whose interest in the worker should not be confused with their hatred for the "bosses," will come back for the rest. That could be about the time the present strikers are beginning to recover from the payless weeks of the present strikes, still no further ahead than if they had not struck and had received their old pay regularly during their weeks of idleness.

Meanwhile, what is going on? The companies have been forced to pay higher wages. Therefore, they have likewise been forced to charge more for their products. Around and around goes the cycle, higher wages, higher prices. In the end the strikers are no better off than they were. The rest of the people are worse off. Volume production keeps costs down. Free competition keeps prices down. Only by full production can the nation prosper and with it her workers. Strikes hit at the heart of these truths. Strikes and unreasonable demands upon industry strike at the heart of America. Who gains? The radicals who live, many lavishly, off of the workers' dues. Who loses? America. What price strikes?

[From the Telegraph-Forum of February 26, 1946]

TRUMAN ON VETS' JOBS

President Truman's appeal Monday to all employers to work with the Government in finding jobs for veterans is one of the biggest farces that has come out of Washington for a long time. In an appeal for veterans to have an opportunity to work out their own destiny, the President asserted that "they deserve that right and we are determined they shall have it."

These are the words of a man who for long has aligned himself so solidly with the CIO that he either dares not or at least does not use Government pressure to help veterans work who want to work but who cannot do so because of the CIO's methods of enforcing its policies over and above those of the Constitution.

Truman pleads for jobs for veterans while veterans, some right here in Bucyrus, are willing and ready to go to work but cannot, not because there is no work but because the New Deal-backed CIO prohibits them to do so by closing entrance gates with pickets.

When the Truman administration adopted the policing of requiring an 18½ cents an hour wage increase, the administration tossed to the winds all semblance of collective bargaining. There can be no bargaining so long as the administration and the CIO are unitedly for only one wage increase. There is no flexibility. Both the administration and the union have said 18½ cents an hour or else. There is nothing to bargain. The issue is closed under such terms.

It is the duty of government to protect one person's, or any number of persons' right to work. The Truman administration has failed in this duty, here and in other communities. Truman lacks all semblance of judgment in making the request he made yesterday in the face of facts against his administration.

Statement of J. H. Lieb

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. MANSFIELD of Montana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by J. H. Lieb, legislative director, Amvets, before the House District Committee on February 19, 1946:

Mr. Chairman and gentlemen, my name is J. H. Lieb, I am the legislative director of the American Veterans of World War II, Amvets.

I come here to urge the immediate consideration by the Congress of H. R. 5229, and I will be very brief in presenting the position of my organization.

Amvets feels very strongly concerning this proposed legislation.

First, because of the possibility that it will put approximately 432 veterans to work.

Second, because it will correct a great injustice and equally as important, it will play a significant part not only in building up the morale of the fire department, but it will encourage greater public service.

Mr. Chairman, it is estimated that two-thirds of a fireman's life is actually spent at work.

His home life is certainly not sound, nor is it secure.

Firemen now are obliged to work a 72-hour per week schedule.

Let me emphasize the injustice of their deplorable and amazing hours.

Their week-day shift commences at 8 a. m. and lasts until 6 p. m.—which amounts to 10 hours per day—6 days per week.

Their night shift begins at 6 p. m. straight through until 8 a. m., a total of 14 long and apprehensive hours.

With only two shifts these firemen work 60 hours day work and 84 hours night work.

Now let us take up their long and uncomfortable week ends.

On Friday the night shift goes to work at 6 p. m. until 8 a. m.

Then along comes the day shift.

They carry on from 8 a. m. Saturday morning until 8 a. m. Sunday morning, 24 long and bitter hours.

On top of this these same human beings must return to work at 6 p. m. Sunday—after putting in 24 hours—and carry on until 8 a. m. Monday.

This goes on and on.

We believe that this is man's inhumanity to man.

The organized strength of the Fire Department is now 940 men. There are between 20 to 30 vacancies.

Another shift would add approximately 432 veterans, since none but veterans are eligible for appointment under existing regulation.

At this point I would like to insert a newspaper clipping from the Washington Post, February 19, 1946, which shows the urgency for providing more jobs for veterans:

"More than a million veterans are now drawing idle pay." For the first time since the passage of the GI bill of rights, a year and a half ago, more than a million veterans are drawing \$20 a week unemployment compensation.

"Veterans' Administration's latest figures show that as of the week ending February 9 readjustment allowances totaling \$25,581,000 were paid to 1,035,995 former servicemen. The week previous 963,035 veterans received \$23,786,000 in jobless benefits.

"Washington region figures for the week ended February 9 are as follows: District,

2,819 veterans received \$74,000; Virginia, 8,865 veterans received \$231,000; Maryland, 17,354 veterans received \$369,000."

We respectfully request that this unfortunate predicament be corrected as soon as possible, through the adoption of H. R. 5229, which asks that the Fire Department be composed and operated by a three-platoon system, a system which now exists within the Police Department. They operate on an 8-hour shift, 48 hours per week, such as 8 a. m. to 4 p. m.; 4 p. m. to 12 p. m.; 12 p. m. to 8 a. m.

Finally, it is impossible to reconcile the fact that a fireman works these hardship hours and yet receives the same pay as given to District policemen, who, in turn, work shorter and more reasonable hours. Isn't the risk of a fireman equally as dangerous as that of a policeman?

It is about time that the Congress give these public servants a square deal. Everyone, industry and business and the professions, are urging a 40- to 48-hour week. Here is an opportunity to set an example. Thank you very much.

Congressional Wrecking Crew

EXTENSION OF REMARKS

OF

HON. WILLIAM A. ROWAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

Mr. ROWAN. Mr. Speaker, under leave to extend my remarks, I include the following editorial from the March 3, 1946, issue of the Chicago Sunday Times:

CONGRESSIONAL WRECKING CREW

If a group in Congress had refused to give the Government extraordinary powers to speed the construction of ships and tanks and airplanes during the war, public opinion would have cracked down on it.

Such a group, spurred by real estate and other lobbies, is trying to sabotage the Government's new plan to build 2,700,000 new homes in the next 2 years.

Right now the pressure of the lobbies is shown in the House of Representatives where critical action will be taken in a few days. President Truman has become so alarmed over the strength of the pressure groups that he has sent a special letter to Speaker RAYBURN pleading for legislative assistance for his administration's measure. He asked Members of Congress to consider housing as an American issue—not a narrow party issue. And it is a major American issue, bigger than any party.

The mumbling, grumbling coalition of Republicans and southern Democrats in the lower house say the plan is socialism. They want housing as usual.

If, during the war, we had built airplanes as usual we never would have constructed the huge fleets that finally knocked out Hitler and Tojo.

HOUSING CRISIS IS WAR

Those who now want housing as usual fail to realize that we are locked in a desperate war against time and inertia. We must provide homes for our people and prevent the growing chaos of overcrowded communities. It's a major emergency.

The people of the local communities realize the seriousness of the situation.

Their sons and daughters returning from overseas, newly married and hoping to establish their own families, have no place to live.

The local representatives of the people of the community realize the seriousness of the situation.

Chicago's city council on Thursday took extraordinary action to speed construction of housing. It published an emergency housing code which took Chicago out of the straight-jacket of restrictions which for many years has prevented inexpensive, modern home building in the city limits.

The city council also approved the plan of Federal Housing Expediter Wilson W. Wyatt, even while that plan was under fire from the congressional wrecking crew.

BUILDERS BACK WYATT

The men who build houses realize the seriousness of the situation.

Officials of the building trades unions, long opposed to prefabricated dwellings, said they'd go along, too. The National Association of Home Builders, meeting here 7,000 strong, were at first opposed to Wyatt's plan to use \$600,000,000 in Federal funds to spur construction of home-building material. This is one of the main bones of contention in Congress—the socialization feature.

After a heart-to-heart talk with Wyatt, who came here to emphasize the need for his plan, the builders reversed their attitude. They certainly are not Socialists. They are practical builders and contractors. They said the Nation's needs came first and resolved all their doubts in favor of Wyatt. They approved the Presidential order which makes Wyatt a virtual housing czar.

The President of the United States knows the seriousness of the situation.

During the week Mr. Truman emphasized the increasingly acute nature of the housing situation by an appeal to the Nation's people to share any available living facilities with homecoming veterans. He asked all churches and synagogues to form housing committees to find homes for men who are getting out of uniform.

The little group of willful men who oppose the growing tide of public opinion are of the "yes, but" variety. They agree there's a housing shortage. But they say there's no need to stimulate production by direct Government subsidy such as stimulated arms production during the war.

CONGRESSMEN OUT OF TOUCH

Those who are fighting price ceilings, who want controls taken off, who pooh-pooh the warning that inflation is a real and awful danger that could devastate our markets and our pocketbooks, are out of touch with the people.

The people know that Wyatt is right when he says we need to build 950,000 permanent private homes this year. That is more homes than were built in any other year in our history. But we need homes people can buy, homes in the lower brackets, costing about \$6,000, and renting for \$50 or less, depending on the locality. And we need to build them while keeping inflation under control.

The Home Builders Association found Building Expediter Wyatt a reasonable and convincing man. He puts the public need first, but he also demonstrates convincingly that serving the public is, in the long run, the most profitable and satisfactory course for everyone to take. That is a lesson many Members of Congress have yet to learn.

Mr. Wyatt's Conspiracy in Housing

EXTENSION OF REMARKS OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 1, 1946

Mr. SABATH. Mr. Speaker, heretofore I have made two speeches from the floor in which I have called attention

to the tactics and activities of certain groups opposed to the housing bill, which will be found on page A1086 of the RECORD for March 28 and on page A1140 of the RECORD for March 1.

My attention has been called to an editorial in the Chicago Sun of Tuesday, February 26, entitled "Mr. Wyatt's 'Conspiracy' in Housing" which is timely and pertinent to the bill we have been debating with the inspired help of Western Union and the United States mails under a mass attack of propaganda from every branch of the real-estate, construction and building supply industries. Of all the editorial comments I have read, I believe this is the most concise and pointed, and I am inserting it in the RECORD. I hope the strong arguments given here will be heeded, and that the vote on the bill will not be further delayed and will be favorable.

I have observed and been subjected to many of these contemptible campaigns of high-powered pressure groups and lobbies; but the campaign against the housing bill exceeds in arrogance anything I have ever seen. It is deplorable, and should be resented by every fair-minded Member of this House, whether he is for or against the bill. I hope that the special committees of House and Senate on small business will take cognizance of this regimented assault on the integrity of legislative decisions and make a full investigation of the campaign against the housing bill.

I hope, too, that the lobby will take the advice of the Sun to enlist in Mr. Wyatt's "plot" to build more and lower-cost houses, and see that our citizens and ex-servicemen have a roof over their heads, such as the antagonists of the bill enjoy. Let me add that in addition to the inspired telegrams of opposition from self-serving interests, I have many messages, both telegrams and letters, from civic groups, organized labor, and servicemen's organizations urging and pleading for passage of the bill.

Mr. Speaker, I have just received a long and expensive telegram signed by the National Association of Retail Lumber Dealers, one of those I have received in opposition to the housing bill. They, like all similar groups, oppose the bill for their own benefit and selfish interest. Consumers, who will not share in industry's profits, and who dread every new bubble of inflation, want housing, and believe this bill is the most practicable concrete way of getting homes for hundreds of thousands of veterans, their families, and just plain citizens.

The editorial from the Chicago Sun follows:

MR. WYATT'S "CONSPIRACY" IN HOUSING

Wilson Wyatt, National Housing Administrator, has a missionary job to do in Chicago today. The National Association of Home Builders, whose convention he will address, is kicking against his program to build 2,700,000 homes in the next 2 years. One of its committees has denounced the program as "a conspiracy for socialized housing," and suggested that veterans be enlisted in a campaign against it. Mr. Wyatt must persuade the builders, instead, to build houses.

If it seems odd that the industry should be more interested in killing off the Wyatt program than in building the houses he asks, one must remember that this is an odd industry. Its front men have for years suc-

ceeded in putting their worst feet forward. Instead of buckling down to the job of producing more housing for less money, they have preferred to fight Government policies aimed at that goal. Instead of reviving and reorganizing a stagnant industry that has failed the people, they chose to conduct a rearguard action in defense of the status quo.

Do the builders realize what they are doing? Having failed to develop on their own initiative a flexible and progressive industry able to meet such a crisis as that of the present, they can sabotage the Government's efforts only at great risk to themselves. The veteran wants a house. He will not be impressed by hoarse cries of "socialized housing." Unless he gets a house, and fairly soon, he will demand socialization that is socialization.

Mr. Wyatt's program, of course, is far from that. In fact, he proposes to rescue the home-building industry from the dire position it now occupies. By the use of Government stimulants, as these tools were used in wartime, he seeks to obtain the needed production by private enterprise. If the builders know their own interests, they will accept his proposals gladly, and turn to with a will. A nation that is starved for homes is bound to prefer a Wyatt program for 2,700,000 houses to a private-enterprise plan for half that many.

The Wyatt program faces immediate peril in Congress, where the Patman bill to provide for price control and subsidies has been watered down by a House committee. The bill must be strengthened and passed if the real estate inflation is to be stopped and large-scale home production, both by conventional methods and prefabrication, is to be gotten under way.

The alternative is clear. Let real estate inflation continue, and most of the veterans will not be able to afford a home. Let costs mount, and the number of houses built will shrink far below the level of acute need. Let a slow and backward industry pursue its old insufficient ways, and we shall have another boom, another crash, another slump.

No, Mr. Wyatt is not leading a conspiracy of socialization. He is plotting for more and lower cost houses; scheming to remedy the deficiencies of an industry which has failed to remedy them itself; contriving ways to fulfill the national obligation in housing while leaving its production in private hands. In such a "pot" the home builders should enlist as willing conspirators.

Annual Farm Economic Conference

EXTENSION OF REMARKS

OF

HON. PAUL CUNNINGHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

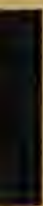
Monday, March 4, 1946

Mr. CUNNINGHAM. Mr. Speaker, under leave to extend my remarks, I include the following editorial from the February 21, 1946, issue of the Story City Herald, Story City, Iowa:

CANNED GOODS

They had the annual farm economic conference in Des Moines last week. Great farm leaders were there and, as usual, scintillated with words worn threadbare through incessant use during the past quarter century.

Mordecai Ezekiel, of the Bureau of Agricultural Economics, solemnly declared, "The United States can't gain by keeping other nations poor." As if anybody ever believed we could. Ezekiel belongs to the bunch who have the notion we can get rich by giving other nations money with which to buy our stuff.



DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 6, 1946, for actions of Tuesday, March 5, 1946)

(For staff of the Department only)

CONTENTS

Accounting.....29	Fisheries.....7	Nomination.....14
Adjourned.....27	Flood control.....28	Parking facilities.....11
Appropriations.....1	Food shortage.....15	Personnel.....25
Assistant Secretaries.....12	Forestry.....6,19	Post-war planning.....4
Bankruptcy, farm.....16	Grazing.....20	Price control...6,8,9,13,22
Buildings & grounds.....11	Housing.....2,31	Property, surplus.....3
Congressional reorgan- ization.....17	Labor, farm.....26	Public debt.....10
Constitutional amendment.....24	Lands, public.....5	Reclamation.....21
Electrification.....18	Minerals.....23	Regional authority.....22
	Minimum wage.....26	Transportation.....30

HIGHLIGHTS: Senate committee reported bill to continue Farm Bankruptcy Act. House passed urgent deficiency. House debated Patman housing bill. House Post-war Planning Committee submitted report. Senate confirmed Krug as Interior Secretary.

HOUSE

1. SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1946: Passed without amendment this bill, H. R. 5671, which was reported by the Appropriations Committee earlier in the day (H. Rept. 1678)(pp. 1964-9). The bill includes \$3,350,000 (Budget estimate was \$3,483,000) for fighting forest fires, and a limited indefinite appropriation for BE&PQ for Federal Employees Pay Act costs (to be deducted from the appropriations to be included in the second deficiency appropriation bill later). The committee report states that the forest-fire item "later may be supplemented should it prove to be inadequate."
2. HOUSING. Continued debate on H. R. 4761, the Patman housing bill (pp. 1980-2003).
3. SURPLUS PROPERTY. Rep. Sikes, Fla., criticized administration of surplus-property disposal (pp. 2004-5).
4. POST-WAR PLANNING. The Special (Colmer) Committee on Post-war Economic Policy and Planning submitted a report (H. Rept. 1677)(p. 2007).
5. HOMESTEADS. The Public Lands Committee reported without amendment H. R. 5271, to amend the act allowing credit in connection with homestead entries for service in the armed forces, so as to provide that no person shall be disqualified because of not having reached the age of 21 (H. Rept. 1681)(p. 2007).
6. LUMBER PRICES. Received a petition from G. S. Parker Lumber Co., Tex., opposing ceiling prices on lumber (p. 2008).

7. FISH IMPORTS. Received a petition from the New Bedford, Mass., Council favoring legislation to limit importation of frozen fish (p. 2008).

8. PRICE CONTROL. Received a petition from the Producers Grain Corp. favoring extension of OPA for 1 year from June 30, 1946 (p. 2008).

SENATE

9. PRICE CONTROL. Sen. Wherry, Nebr., criticized OPA, stating that "nonproduction is the greatest breeder of inflation" (pp. 1944-6).

10. PUBLIC DEBT. Sen. Ellender, La., inserted a table showing the population and public debt of various countries (pp. 1946-52).

11. PARKING FACILITIES. Passed as reported H. R. 4283, which requires that parking facilities shall be provided in the erection of new Federal office buildings in D. C., and that reports shall be made to Congress on parking facilities for existing buildings, together with recommendations (pp. 1955-6).

12. LABOR DEPARTMENT SECRETARIAT. Passed without amendment S. 1298, to establish the positions of Under Secretary of Labor and three Assistant Secretaries, and to abolish the present positions of First and Second Assistants (pp. 1956-7).

13. PRICE CONTROL. Sen. Willis, Ind., spoke in favor of self-pricing by manufacturers subject to OPA review, prices based on actual costs, elimination of price control in certain areas, and prohibition against such a "squeeze" on profits that production is deterred (pp. 1959-60).

14. NOMINATION. Unanimously confirmed the nomination of Julius A. Krug to be Secretary of the Interior (p. 1962).

15. FOOD CRISIS. Sen. Capper, Kans., inserted former President Hoover's telegram to the Secretary outlining a plan to conserve food in order that enough may be sent to Europe to prevent starvation there (p. 1939).

16. FARM BANKRUPTCY. The Judiciary Committee reported with amendment H. R. 5504, to continue Farm Bankruptcy Act for 15 months (S. Rept. 1014 (p. 1939)).

17. CONGRESSIONAL REORGANIZATION. Received the report of the Joint Committee on the Organization of Congress (for details see Digest 37) (S. Rept. 1011) (p. 1931).

18. ELECTRIFICATION. Received a Miss. Legislature resolution urging Congress to direct the TVA to make available to the rural sections of Lauderdale County electric power through the Miss. REA (p. 1935).

Received from the Interior Department a report of the Bonneville Administrator covering the transmission and sale of electric power, 1945. To the Commerce Committee. (p. 1934).

19. FORESTRY. Received a Calif. Legislature resolution calling for a Congressional investigation of the Forest Service (p. 1934).

20. GRAZING. Received a Utah Cattle and Horse Growers' Assn. resolution favoring the consolidation of the Forest Service and the Grazing Service in a single department of the Government (p. 1935).

21. RECLAMATION. Received a Grafton N. Dak. resolution favoring an appropriation.

for the construction of a reservoir on the South Branch of the Park River, N. Dak. (p. 1936).

22. PRICE CONTROL. Received a Farmers Union Central Exchange, Inc. (Minn.) resolution endorsing price control, the OPA, and a Missouri Valley Authority (p. 1936), and a resolution opposing monopolies (p. 1936).
23. MINERALS. The Public Lands and Surveys Committee reported without amendment S. 1856, to reserve for U. S. use all deposits of fissionable materials contained in the public lands (S.Rept. 1015) (p. 1939).
24. CONSTITUTIONAL AMENDMENT. The Judiciary Committee reported without amendment S.J.Res. 61, proposing an amendment to the U.S. Constitution relative to equal rights for men and women (S.Rept. 1013) (p. 1939).
25. PERSONNEL. Received a Health and Education Committee report showing the persons detailed from the executive agencies to the Committee, including a FSA employee (p. 1941).
The Joint Committee on Reduction of Nonessential Federal Expenditures submitted a report showing the total number of Federal employees, by department and agency (pp. 1941-2).
26. MINIMUM WAGE. The Education and Labor Committee reported with amendment S. 1349, to amend the Fair Labor Standards Act of 1938 by raising the minimum wage levels to 65¢ (S.Rept. 1002) (p. 1942).
Sen. Pepper, Fla., stated that the bill does not cover agricultural labor, but that first processors of agricultural and horticultural commodities are covered, and then discussed with Sens. Taft, Ohio and Ellender, La., the extent of this coverage (pp. 1942-3).
27. ADJOURNED until Fri., Mar. 8 (p. 1962).

BILLS INTRODUCED

28. FLOOD CONTROL. S. 1903, by Sen. Cordon, Oreg. (for himself and Sen. Morse, Oreg.), to provide for the acquisition and operation of certain facilities in connection with the prosecution of river and harbor, flood control, and other civil works. To Commerce Committee. (p. 1943.)
29. ACCOUNTING. H. R. 5672, by Rep. Manasco, Ala., to limit the time within which the General Accounting Office shall make final settlement of the monthly or quarterly accounts of disbursing officers under the executive branch of the Government. To Expenditures in the Executive Departments Committee. (p. 2007.)

ITEMS IN APPENDIX

30. ST. LAWRENCE WATERWAY. Rep. Robertson, N. Dak., inserted a Farmers Union Central Exchange, Inc. resolution favoring this project (p. A1183).
31. HOUSING. Speeches in the House by Rep. Biemiller, Wis., favoring subsidies on housing (p. A1188) and by Rep. Dolliver, Iowa, opposing them (p. A1189).
Speech in the House by Rep. Buffett, Nebr., opposing subsidies on housing and citing the example of butter subsidies to show that subsidies in general result in production drops (p. A1193).
Rep. Jensen, Iowa, inserted a Nat'l Retail Lumber Dealers Assn. telegram opposing subsidies on housing (p. A1195).

Extension of remarks of Rep. Arnold, Mo., opposing the Patman housing bill (p. 1202).

Extension of remarks of Rep. Hartley, N. J., explaining his bill, H. R. 5646, to assist veterans of World War II in purchasing urban or rural homesteads through direct grants (pp. A1208-9).

- oOo -

COMMITTEE-HEARINGS ANNOUNCEMENTS for Mar. 6: S. Foreign Relations, St. Lawrence waterway; S. Atomic Energy, (ex); H. Appropriations, second deficiency (ex); H. Banking and Currency, OPA extension; H. Expenditures, surplus property; H. Interstate, REA bills (ex); H. Rules, PBA building powers; H. Ways and Means, social security; Conference, school-lunch bill; Meeting of western Senators, labor in sugar States.

- oOo

For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

- oOo -

within the limits of the United States naval training and distribution center, Camp Peary, Williamsburg, Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, strike out "Lt. Samuel Adams Lynde, United States Navy," and insert "the estate of Eleanor Wilson Lynde, deceased, late."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 1, line 7, strike out "\$15,000" and insert "\$7,500."

Mr. DOLLIVER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER to the committee amendment: Strike out "\$7,500" and insert "\$5,000."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendments: Page 1, line 9, strike out "of the said Lt. Samuel Adams Lynde."

Page 2, line 1, strike out "his wife."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Eleanor Wilson Lynde, deceased."

A motion to reconsider was laid on the table.

SOUTHERN CALIFORNIA EDISON CO., LTD.

The Clerk called the bill (H. R. 4270) for the relief of Southern California Edison Co., Ltd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Southern California Edison Co., Ltd., a corporation organized under the laws of the State of California, the sum of \$1,628.30, in full settlement of all claims against the United States arising out of or in connection with damage caused to an electric transmission line owned by Southern California Edison Co., Ltd., by a United States Navy airplane, model F3A-1, Bureau No. 04634, coming in contact with said transmission line at a point along Cajon Highway near Keenbrook, Calif., on July 21, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

tion thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA D. CHAMPLIN AND OTHERS

The Clerk called the bill (H. R. 4414) for the relief of Eva D. Champlin, Robert H. Howell, Emily Howell, and Stella Ward.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eva D. Champlin, the sum of \$17,385.90; to Robert H. Howell, the sum of \$7,734; to Emily Howell, the sum of \$1,674.39; and to Stella Ward, the sum of \$10,839.75, in full satisfaction of their claims against the United States for compensation for damages resulting from injuries sustained by them while riding in an automobile which was struck by an automobile owned by the United States Government on Route No. 15 between the cities of Elmira, N. Y., and Rochester, N. Y., on March 15, 1944: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amounts appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike out "\$17,385.90" and insert "\$3,500."

Page 1, line 7, strike out "\$7,734" and insert "\$2,000."

Line 8, strike out "\$1,674.39" and insert "\$100."

Line 8, strike out "\$10,839.75" and insert "\$3,500."

Line 9, strike out "their" and insert "all."

Page 2, line 1, strike out "compensation for damages resulting from injuries" and insert "personal injuries."

Line 3, strike out "an automobile owned by the United States Government" and insert "a United States Army vehicle."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LILLIAN JACOBS

The Clerk called the bill (H. R. 4537) for the relief of Lillian Jacobs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,005 to Lillian Jacobs, of Elberon, N. J. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries and loss of earnings sustained when the car driven by Mrs. Jacobs was involved in a collision with an Army carry-all in Elberon, Monmouth County, N. J., on April 1, 1944: *Provided*, That no part of the amount appropriated

in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARGARET LEE

The Clerk called the bill (H. R. 4607) for the relief of Margaret Lee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret Lee, of Hempstead, Long Island, N. Y., the sum of \$180, in full settlement of all claims against the United States for damages to her automobile in an accident involving an Army vehicle, occurring in Hempstead, N. Y., on August 26, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, after "\$180", insert "and to pay the sum of \$62 to Mike Sopko, of Hempstead, N. Y."

Line 9, after "for", insert "property."

Line 9, strike out "to her automobile."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Margaret Lee and Mike Sopko."

A motion to reconsider was laid on the table.

LT. GEN. WALTER B. SMITH

The Clerk called the bill (H. R. 5529) to authorize the President to appoint Lt. Gen. Walter B. Smith to the office of Ambassador to Russia, without affecting his military status and perquisites.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 1222 of the Revised Statutes (U. S. C., title 10, sec. 576), the provisions of section 1223 of the Revised Statutes (U. S. C., title 10, sec. 577), or any other provisions of law, or any rules or regulations issued thereunder, the President, acting by and with the advice and consent of the Senate, is authorized to appoint Lt. Gen. Walter B. Smith, a general officer in the Army of the United States, as Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics and Lieutenant General Smith's appointment to, acceptance of, and service as such Ambassador Extraordinary and Plenipotentiary shall in no way affect any status, office, rank, or grade he may occupy or hold in the Army of the United States or any component thereof,

or any emolument, perquisite, right, privilege, eligibility for promotion, or benefit incident to or arising out of any such status, office, rank, or grade: *Provided*, That so long as he remains Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics Lieutenant General Smith shall retain the rank and grade of lieutenant general which he now holds in the Army of the United States, but during such time shall receive the salary and allowances of Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics, payable from appropriations made by law for the Department of State, in lieu of his military pay and allowances.

SEC. 2. In the performance of his duties as such Ambassador Extraordinary and Plenipotentiary, Lieutenant General Smith shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were in no way connected with the War Department, the Military Establishment, or the Army of the United States, or any component thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the President to appoint Lt. Gen. Walter B. Smith as Ambassador to the Union of Soviet Socialist Republics, without affecting his military status and perquisites."

A motion to reconsider was laid on the table.

FORT DOUGLAS MILITARY RESERVATION

The Clerk called the bill (S. 1535) to authorize the Secretary of War to convey certain lands situated within the Fort Douglas Military Reservation to the Shriners' Hospitals for Crippled Children.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey under such terms and conditions as he may prescribe to the Shriners' Hospitals for Crippled Children, a Colorado corporation, all right, title, and interest of the United States in and to seven and eight thousand eight hundred and fifty-four ten-thousands acres of land, more or less situated within the Fort Douglas Military Reservation, Utah.

SEC. 2. The lands conveyed pursuant to the provisions of the first section of this act shall be used by the grantee as a location for a hospital for crippled children; and the deed of conveyance of such lands shall contain the express condition that if the grantee shall fail or cease to use such lands for such purposes, or shall alienate or attempt to alienate such lands, title thereto shall revert to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNICE B. COOPER

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that the bill (H. R. 988) for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture, which was objected to on March 6, 1945, be restored to the private calendar, and I ask for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Bernice B. Cooper, junior clerk-typist, Farm Security Administration, Department of Agriculture, Weatherford, Tex., is hereby released from any and all liability on account of the loss of funds in the amount of \$300, together with interest due thereon from date of loss, representing public funds for which she is accountable and which were stolen from her custody in the county rural rehabilitation office, Weatherford, Tex., on February 13, 1942, and the Comptroller General of the United States, and the War Food Administrator, are hereby authorized and directed to remove from their records the debt against the said Bernice B. Cooper in the amount of \$300, plus interest due thereon.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELECTION COMMITTEE

Mr. DINGELL. Mr. Speaker, I offer a resolution (H. Res. 542) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ARTHUR G. KLEIN, of the State of New York, be and he is hereby elected a member of the standing committee of the House of Representatives on Immigration and Naturalization.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. PATMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 40]

Andrews, N. Y.	Gardner	Murphy
Baldwin, N. Y.	Gearhart	Norrell
Beall	Gossett	Norton
Bland	Gwinn, N. Y.	Peterson, Ga.
Bonner	Hale	Phillips
Boykin	Harness, Ind.	Powell
Brumbaugh	Henry	Rains
Buck	Herter	Randolph
Byrne, N. Y.	Holmes, Mass.	Reece, Tenn.
Cannon, Fla.	Hope	Rivers
Cannon, Mo.	Jackson	Robinson, Utah
Case, S. Dak.	Jarman	Schwabe, Mo.
Chapman	Kelley, Pa.	Sharp
Clark	Keogh	Sheridan
Cole, Kans.	Kilburn	Starkey
Curley	Knutson	Stigler
Daughton, Va.	LaFollette	Summers, Tex.
Dawson	Landis	Thom
Domengeaux	McConnell	Voorhis, Calif.
Eaton	McGregor	Wolfenden, Pa.
Fellows	McKenzie	
Fisher	Morrison	

The SPEAKER pro tempore (Mr. SIKES). On this roll call 366 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 14, strike out "707" and insert "706."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 15, strike out "a housing unit" and insert "any housing accommodations."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 17, strike out "ceiling price which shall be applicable" and insert "maximum sales price applicable to such sale."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 19, after the period insert "It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 25, after the comma, insert "as to rights or liabilities incurred or offenses committed prior to such termination date."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 5, strike out "708" and insert "707."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 16, strike out "709" and insert "708."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 19, strike out "707" and insert "706."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 23, strike out "Administrator" and insert "Director."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 1, after "order", insert "may be granted and if granted."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 4, strike out "704" and insert "706."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 6, strike out "document" and insert "record."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 15, strike out "707" and insert "706."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 17, strike out "the" and insert "this."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 15, line 17, strike out "Administrator" and insert "Director."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 15, after line 19, insert the following:

"SEC. 709. As used in this title—

"(a) The term 'maximum sales price' means the maximum price for which any housing accommodations may be sold and includes the total consideration which may be paid by the buyer for the housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of housing accommodations customarily assume in the community where the accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request.

"(b) The term 'person' includes an individual, corporation, partnership, association,

or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

"(c) The term 'district court' means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States."

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while I do not propose to offer an amendment to this section, I think we ought to take a good close look at it. The term "maximum sales price" means the maximum price for which any housing accommodations may be sold and includes the total consideration which may be paid by the buyer for the housing accommodations, and so forth. I brought before the House a case the other day in which a veteran who is at the same time a builder made an estimate of the cost of building a certain property which he was going to build for sale in the hope a veteran would purchase the property. His estimate of the bare cost of the land and building was \$8,200. He made applications for priorities and was informed that he would be issued a priority providing his maximum sales price would be \$7,800. It is perfectly silly to think any builder of any size, kind, or description, is going to build a home which he estimates will cost \$8,200 or any other figure, not including any possible brokerage or profit to himself, and sell it for less than his own estimated cost without any profit to himself. If that is the way this bill is going to operate, you will not get any housing whatsoever built by any builder in the United States unless he stands sufficiently in favor with the Director or the Administrator or the local officer to give him a price at which he can come out with enough to cover his cost of production together with possible brokerage and what little profit there may be to himself to compensate him for his work and his risk. That is the reason this bill is not a satisfactory bill. It is not for the purpose of providing veterans housing, but is for the purpose of providing some kind of housing machinery by which the Administrator can operate for the benefit of whomever he chooses to favor in the matter of priorities.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from California.

Mr. IZAC. About what is the limit a veteran can afford to pay for a home today?

Mr. HINSHAW. It depends on the veteran. Some of them can only pay \$2,000, and some of them can probably pay very much more. That is one fallacy that we must look into rather carefully because all veterans are not necessarily interested in the lowest cost housing, although I am sure that the large majority of them will be. That does not mean that there should be any limit to the cost of the housing that may be approved. Many a veteran who was taken into the service in this war is upward of 30 years of age and many have large families. He may be more or less a successful mechanic or businessman and have a decent income. If the limit of

cost is fixed at a low figure then a veteran with a larger than average family will be precluded from benefit under this bill.

Mr. IZAC. The gentleman recognizes, however, that the average veteran, and I may add that the gentleman was a veteran in the other war and he knows, that the average veteran can never pay for a home that costs more than about \$6,000.

Mr. HINSHAW. With the average veteran, that is probably true; but that does not say that all of them want \$6,000 houses.

Mr. IZAC. That is correct.

Mr. HINSHAW. Some may want a \$2,000 house and some may want a \$12,000 house, or more.

Mr. IZAC. But the fact remains if we are shy about 10,000,000 homes for the people of the United States, that is going to be increased by, say, half of the veterans of this war, which means another 8,000,000 buildings.

Mr. HINSHAW. I agree we will have to build all types of homes.

Mr. IZAC. Unless we can keep that price below \$6,000, there will not be many veterans get homes.

Mr. HINSHAW. Does the gentleman want to know how to keep the price down?

Mr. IZAC. I want the gentleman to tell me how we can build homes for veterans.

Mr. HINSHAW. I will tell him. That is, for every man who is engaged in the building industry, from stem to stern, to do his utmost, without restriction on the amount and type of work he can turn out in 1 day, to work as hard as he can work to produce homes at the cheapest possible price. In that way the cost of building will be reduced.

The CHAIRMAN. The time of the gentleman from California has expired.

(Mr. HINSHAW asked and was given permission to revise and extend his remarks.)

Mr. BARRY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the only purpose of the pending amendment is to permit veterans, who bought newly built houses at a fixed price by the Housing Expediter, to sell that house and not have his brokerage fee, which ordinarily he would have to pay, included in the maximum price.

As the bill was brought to the committee, it was proposed that the veteran could not resell his home at a profit, that he would have to resell his home at the same price that he paid for it in the beginning.

The committee discussed the matter and realized that most resales compel the seller to pay approximately 5 percent commission. We did not want to have the veteran who paid six or seven thousand dollars for a home, on a resale to lose \$300 or \$350.

That is the only purpose of the amendment, and I hope the Committee will agree to it.

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Chairman, I wonder if we cannot reach an agreement as to time on this amendment?

I ask unanimous consent that all debate on this amendment and all amendments thereto conclude in 25 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. DE LACY].

Mr. DE LACY. Mr. Chairman, I have followed the comments of the able gentleman from Michigan [Mr. Wolcott] in reference to the statement of Mr. Wyatt. Apparently Mr. Wyatt's statement has sunk home, apparently his justified observations on the lack of action in this Hall have begun to cause some perturbation among those who voted solidly against one of the chief provisions of this bill yesterday.

It is all very well to say that we should leave this matter of housing the American people to private enterprise. But the outstanding fact about American housing is that private industry, which has enjoyed this field of activity for all the years the Nation has existed, has never succeeded in satisfactorily housing the American people. The press has carried a shocking article telling how in the District of Columbia, which houses this great American Capitol in which we hold our deliberations, the housing is so shockingly bad that a rat came into the bedroom and into the crib of a little child, a little boy 32 months old, and bit off three of his fingers and his nose.

Yesterday the distinguished gentleman from Massachusetts [Mrs. ROGERS] called the attention of the House to that horrifying incident.

The gentlewoman urged that rat extermination campaigns be undertaken to prevent such tragic things from happening.

Now, that is all right as far as it goes. But as long as inaction on the housing front continues to condemn a large part of our people to living in dilapidated, run-down, insanitary dwellings, we shall have an abundance of rats and other vermin.

Let people have decent houses to live in—houses that can be kept free from refuse and filth in which rats thrive—and we shall do more to get rid of rats than by well-intentioned, but sporadic rat-extermination campaigns.

The newspaper story cited by the gentlewoman is eloquent testimony of the need for the kind of housing program which the Members of her party joined so solidly in voting down on the very same day that she made her remarks.

The shocking point is that this boasted system of building homes by private enterprise has not prevented some of the worst housing in the Nation, right here in the District of Columbia. Yet yesterday members of the gentleman's party stood up solidly to defeat a measure, not to hamstring private industry, but to overcome the restrictions and deficiencies which the private housing construction industry has demonstrated, a measure to subsidize the production at a profit of building materials that we need.

We simply are not going to get material to begin 3,000,000 homes within 2 years through the ordinary channels of

production. That is why the administration comes before us with a measure, not to cut out the profit system but to guarantee profits in the building industry, to make the profit incentive work for the production of materials with which to build two and one-half times the number of homes ever before built in America in any 1 year.

Yet the gentleman says that premium payments will hamstring housing production.

Without encouraging the production of building materials by premium payments, what will clearly happen is that the Government will be compelled to raise materials' prices. That, in fact, is what is being demanded by the powerful lobby, the Producers' Council, and others, so persistently throwing its weight around the Capitol.

Some members have objected to the revelation of this lobby's activity by our distinguished majority leader, the gentleman from Massachusetts [Mr. McCormack.] But the most brilliant confirmation his charges could have is the resignation of the Crane Co. from the Producers' Council in objection to the Council's present legislative activities.

I suppose a Member may say that subsidies to producers hamstring private building construction, but the very purpose of such subsidies is to make it possible for private enterprise at last to begin the housing job on which for 100 years it has so conspicuously failed the American people.

We are short over 10,000,000 homes. We are trying to build some of the homes most needed now under the Wyatt program.

I think it is about time that we get some action. If this shocking story of a rat eating off the nose and fingers of a baby does not prod us on to a sense of our duty, then I do not know what will.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The Chair recognizes the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, day before yesterday I listened with a great deal of interest to a discussion of this bill over the radio by the gentleman from Texas [Mr. PATMAN], and the gentleman from California, [Mr. HINSHAW].

In this discussion the gentleman from Texas [Mr. PATMAN], stated that it is necessary to have this bill in order to prevent lumber from going into the building of race tracks, saloons, gambling halls, honky tonks, swimming pools, and so forth. Later in the discussion the moderator—I believe his name was Lindley—asked if the administration did not now have the power under the War Powers Act to do the very thing that this bill would do. To this question the gentleman from California replied that the Government does have the power now. The gentleman from Texas agreed with that statement but added that because the War Powers Act would soon expire, there was no assurance it would be extended and it was, therefore, necessary to have the bill now before us enacted into law in order to get homes for veterans.

Mr. Chairman, I would like to ask any Member of the majority party this ques-

tion: With the administration having had the power all along, having the power now, to channel building materials and lumber into the building of homes for veterans, why did it permit this lumber to be used to build race tracks, saloons, gambling halls, honky tonks, and swimming pools? Why did it permit this lumber, 25 percent of the output, to be exported to foreign countries when it has been so badly needed by the veteran who fought for this country? And, Mr. Chairman, what assurance do we have if we enact this bill into law that the situation will be any different; that they will not continue to channel the lumber and the building material into the building of race tracks, saloons, honky tonks, and gambling halls rather than channeling it into the building of homes for the benefit of the veteran? I will be very pleased to have somebody on the majority side answer that question.

Mr. PATMAN. I will attempt to answer that now, if the gentleman will yield.

Mr. CUNNINGHAM. I will be delighted to have the answer.

Mr. PATMAN. The administration was persuaded by reason of so many statements made on the floor of this House principally, I will say, by Members on the minority side, to removed L-41 October 15, and that prevented the channeling of materials. I think that was a serious mistake.

Mr. CUNNINGHAM. I thank the gentleman. He has answered my question. Now I want to ask the gentleman a further question: If the administration then did not have the backbone to look after the veteran will it have the backbone to look after the veteran today if we enact this bill into law?

Mr. PATMAN. I want to answer this question on the export of lumber. The gentleman made a misstatement about the export of lumber. We are importing three times as much lumber, and have for years, each year, than we export.

Mr. CUNNINGHAM. That does not excuse the exportation of lumber that the veterans need so badly.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. The Administration put on L-41, did it not?

Mr. CUNNINGHAM. I understand that it did.

Mr. ROBSION of Kentucky. And the Administration took it off, did it not?

Mr. CUNNINGHAM. I understand that it did.

Mr. ROBSION of Kentucky. Is there anything in the law now which would prevent them from putting L-41 back? I understand the change has been made.

Mr. CUNNINGHAM. No. If they are interested in the veteran, they can do it. They have all the laws they need. Let us quit kidding the veterans and give them something worth while.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Michigan.

Mr. SHAFER. Would it not be well for the administration to take stock of how much lumber we have in storage in the various military camps of this country? I have it on very good author-

ity that in my district there are some 400,000 lineal feet of plywood lying out there in storage at Fort Custer.

Mr. CUNNINGHAM. In my district the Army has been burning good lumber that would make excellent homes for the veterans or anyone else.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from Washington [Mr. DE LACY] said people in the city of Washington are so badly housed that the rats were eating them up. Well, if the people in Washington, D. C., are that poorly housed, I wonder if this bill is going to help protect them against the rats. Of course, that is about the most intelligent statement, I think, the gentleman from Washington has made since he has been in the House, but I doubt if the people of the District of Columbia will agree with it.

Mr. CUNNINGHAM. What kind of rats is the gentleman referring to?

Mr. RANKIN. As I say that is one of the most intelligent arguments he has yet made. He was evidently referring to rodents, and not to "com-rats."

But I am wondering how you are going to protect the people of the District of Columbia from the rats of any kind by passing a housing bill.

Mr. CUNNINGHAM. I cannot answer that.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. I would like to say with reference to the statement regarding L-41, it is true that the order was taken off, but the same authority failed to readjust the price of lumber, so that the same prices are now in effect as during the war.

(Mr. CUNNINGHAM asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. KOPPLEMAN].

Mr. KOPPLEMAN. Mr. Chairman, if the various abuses that have been complained about are true, then we have a measure before us that can do the job today. Attempting to make mountains out of molehills is not remedying the trouble about which some of you complain. We must not lose sight of the objections of this bill. They are truly big. Let us go to work. We have before us a measure that will remedy in part, at least, what you have complained of.

I dislike to disagree with my good friend from Michigan, but he has a measure which is not a remedy by any stretch of the imagination. There is nothing in his substitute which cannot be done under existing law today. All of the War Powers Acts are in force. The only new thing in his substitute is the extension of time for the War Powers Act and even that extension is provided in the bill we now have under consideration. In his substitute there is nothing that will make possible low-cost houses. There is nothing in his measure which will prevent inflation and the skyrocketing of prices on a grandiose scale. There is nothing

in his substitute that will give homes to veterans at a price they can afford to pay. All of these considerations are essential if our goal is to be reached. That is what Mr. Wyatt is complaining about. He is right when he says the heart of the bill has been cut out.

If we are seriously interested in giving to the veterans homes at reasonable prices, if we believe that inflation is a menace, then we cannot accept the substitute of the gentleman from Michigan. We must adopt the bill that is before us. I hope there is still a way through the regular parliamentary procedure to restore price restrictions.

In conclusion, Mr. Chairman, I want to mention that not all real-estate dealers in America are greedy. One of the outstanding men in the real-estate business in my town, has sent me this telegram:

Urge strong support of Wagner-Ellender bill and replacement of Patman clause establishing ceilings on residential resales. Speaking as a realtor, believe firm check must be placed on this inflation to prevent disaster.

HENRY T. KNEELAND.

So you see there are some realtors who can see ahead, who can foresee destruction of their own business if inflation is permitted. The substitute for the bill that is before us is a delusion insofar as preventing inflation is concerned, and it certainly cannot give the veterans homes they can afford to buy.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, how sincere is this administration in its desire to provide temporary housing for veterans?

Just outside of my home city of Battle Creek, Mich., are 170 barracks buildings of the sectional type which could be well utilized but which are today standing vacant.

These buildings are located contiguous to the eastern boundary of the Kellogg Air Base which has been declared surplus by the War Department. Water from nearby Fort Custer serves the entire area which is almost circumscribed with a sanitary sewer line connected with the Battle Creek sewer system, and to the city's main sewage disposal plant. Electric power extends into the area and each building is wired for basic service. Every utility is immediately available within the area. Additions and extensions made necessary by conversion of the barracks buildings into temporary family living quarters could be accomplished at a very slight cost.

The 170 buildings in this cantonment lend themselves to quick and immediate conversion into from 500 to 600 temporary living units, if supplies and materials could be released or made available. There is absolutely no lack whatsoever in builders or finances in this community. Positively the only thing needed to immediately correct our critical housing shortage is a Government policy of cooperation and encouragement instead of the apparent philosophy of red tape, bungling, and deliberate interference with the normal procedure of private initiative and enterprise and the innate desire to do things by and for ourselves.

We have in Battle Creek a prime example and result of Government-created shortages. Remove these and we will get our veterans, their wives, and their children off the streets and into decent homes where they belong. We will do it in a hurry ourselves. Excellent schools are close by and there is also bus service.

The Government has spent \$40,000 on electrical distribution services in this area, \$63,000 on sewers, 010,000 on water, \$6,000 on meter installations, and \$2,000 on an outlet sewer.

Battle Creek's housing problem could have been solved weeks, yes, months ago, had local city officials, realtors, and builders received the requested cooperation of Government agencies. They sought the release of these buildings for temporary housing for veterans and their families, but the request was refused on the ridiculous grounds that they were but 30 feet apart whereas the bureaucrats believed they should be separated by 50 feet.

No one expected to make any money on the transaction. The plan called for extremely low rentals, merely enough to provide a few alterations and upkeep.

If Government agencies would use just a little common sense and give the green light to these well-meaning Battle Creek citizens to utilize existing facilities at Kellogg Air Base, our problem of temporary housing would be solved in a matter of days.

At this point the question might well be raised, If such are the conditions at the Kellogg Air Base, is it not reasonable to believe that similar conditions exist in every place in the United States where airfields and cantonments were built during the war which have since been inactivated? It seems to me almost criminal for the Government to withhold its cooperation with city officials and businessmen in such efforts to obtain temporary housing for our returned veterans and their families.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RABIN].

(Mr. RABIN asked and was given permission to revise and extend his remarks.)

Mr. RABIN. Mr. Chairman, I think it will serve no useful purpose to try now to fix the responsibility for the housing shortage. It certainly will not relieve the situation. I intend to vote for the Patman bill. Yesterday I voted for subsidies and I am sorry that that provision was not adopted by the committee. Under the Patman bill large powers are given to Mr. Wyatt. But to the extent that you give power you limit the power. It may shock some of you to hear me say that I had hoped a bill would come out giving even greater powers to the Expediter. We have the know how to relieve this housing shortage. With respect to raw materials, we have or can get the "what with." I am afraid the public is beginning to doubt whether we have the "will to." If we were at war at the present time and assuming that we could win a war merely by building houses, how long do you think it would take to relieve this housing shortage?

Instead of our talking about it we would be building our way out of it. That is what we should do.

I admire the manner in which the Congress, on the occasion of the war emergency, gave full power to the President to produce materials needed for war, and factories that were needed in which to produce those materials. Why should we not give the President the same power now? Why do we talk about limitation of power? Why do we express fear with respect to the giving of power at the present time?

Mr. BARRY. Will the gentleman yield?

Mr. RABIN. I yield.

Mr. BARRY. Is it not true that the housing situation is more acute now than it ever was during the war?

Mr. RABIN. There is no question about that.

Last December I introduced a bill which I think would give the President that power. I think it is broader than the Patman bill. However, I will support the Patman bill. But my bill would give the President the power to build houses wherever and whenever he thinks it is necessary to relieve the housing shortage. It does just that, giving him the right to condemn land, giving him the right to seize material, but giving to private industry the duty to do the building on a cost-plus basis, and instructing the President to sell those houses immediately after construction, so that this country will not be in the housing-management business. That will not affect private industry a bit. It would simply be lending the war powers of this Government to private industry for the purpose of relieving the housing shortage.

I do not think we should discuss further who is responsible for this shortage. Perhaps some day we should create another Pearl Harbor board of inquiry to determine that. I say, let us not worry about power. Let us give the Expediter all the power that is necessary, but let us start building houses at once to relieve the shortage. Let us show the public that not only do we have the "know-how," and the "what-with," but, in addition, that we have the "will-to."

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized to close the debate.

Mr. SPENCE. Mr. Chairman, I do not care to use the 5 minutes allotted me. There are no controversial amendments, as I understand it, in the bill. At the conclusion of the bill there will be amendments offered.

I ask for a vote on the pending amendment.

The CHAIRMAN. The question is on the pending committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 16, line 16, insert "Provided, however, That so much of the First Deficiency Appropriation Act, 1946 (Public Law No. 269, 79th Cong., approved December 28, 1945), as reads 'Provided, That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in

excess of \$500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945,' shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institutions."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I was given assurance that as soon as the bill was read and the committee amendments disposed of, I would be recognized to offer a substitute before any other amendments were offered. All committee amendments have been disposed of.

The CHAIRMAN. The last committee amendment has been disposed of.

Mr. WOLCOTT. Then, I desire recognition.

Mr. PATMAN. I understood I had been recognized to offer an amendment.

The CHAIRMAN. The gentleman from Michigan had not said a word to the Chair about it.

Mr. WOLCOTT. I was on my feet.

The CHAIRMAN. So was the gentleman from Texas. The gentleman from Texas had been recognized.

Mr. WOLCOTT. Is it not traditional that the opposition is recognized to offer substitutes in preference to the majority?

Mr. PATMAN. This is an amendment to the bill.

The CHAIRMAN. The gentleman will be recognized, but the chairman of the committee is entitled to first recognition.

Mr. WOLCOTT. The chairman of the committee is not asking for recognition.

The CHAIRMAN. I understand that the gentleman seated by the side of the chairman of the committee asked for recognition.

Mr. PATMAN. Acting for him.

Mr. WOLCOTT. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Is the gentleman from Texas acting for the chairman of the committee in offering this amendment or acting in his individual capacity?

Mr. PATMAN. It has the support of the chairman of the committee.

The CHAIRMAN. The gentleman is recognized and offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 11, line 11, insert a new section, section 712, as follows:

"SEC. 712. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"(1) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed \$3,800,000,000: *Provided further*, That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: *And provided further*, That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title, in such instances and for such periods of time as he may prescribe."

"(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"(A) \$5,400 if such dwelling is designed for a single-family residence, or

"(B) \$7,500 if such dwelling is designed for a two-family residence, or

"(C) \$9,500 if such dwelling is designed for a three-family residence, or

"(D) \$12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"(A) \$7,200 if such dwelling is designed for a single-family residence, or

"(B) \$10,800 if such dwelling is designed for a two-family residence, or

"(C) \$13,500 if such dwelling is designed for a three-family residence, or

"(D) \$16,200 if such dwelling is designed for a four-family residence."

"(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time."

"(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word 'emergency' and inserting in lieu thereof the words 'shortage of housing', and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: 'The Administrator shall prescribe

such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title.

"(e) Section 608 (b) of the National Housing Act, as amended, is hereby amended (1) by amending paragraph No. (2) thereof to read as follows:

"(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator; and (2) by striking out '\$1,350' and inserting in lieu thereof '\$1,500'.

"(f) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause '(C)' the following: 'and any mortgage insurance premiums paid after default'."

TITLE VI OF NATIONAL HOUSING ACT

Mr. PATMAN. Mr. Chairman, this is title VI of the National Housing Act that is offered as an amendment to this bill to insert a new section after 711 in the bill, this section 712, which will be title VI of the National Housing Act. This is the title that allowed so many houses, encouraged so many houses, to be constructed during the war for the benefit of war workers and about the only change that is made in the language of this amendment is changing "preference for war workers" to "preference for veterans."

I have a letter from Mr. Foley, addressed to the gentleman from Kentucky, the Honorable BRENT SPENCE, chairman of our committee, that I would like to read, which explains the amendment:

NATIONAL HOUSING AGENCY,
FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., March 4, 1946.

HON. BRENT SPENCE,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN SPENCE: Title VI was added to the National Housing Act March 28, 1941, at which date the authorization for insurance was limited to \$100,000,000. This amount was increased from time to time, and with the amendment to the act of March 31, 1945, the authorization totaled \$1,800,000,000. This insurance authorization provided for the construction of slightly over 410,000 dwelling units as of December 31, 1945, and at that date the unused authorization slightly exceeded \$31,000,000.

Under section 603 of title VI, the section authorizing the insurance of mortgages on one- to four-family dwellings, slightly over 373,000 new one- to four-family dwelling units have been provided. At December 31, 1945, the FHA had acquired, after foreclosure by mortgagees, 5,102 properties (6,766 dwelling units). Of these, 2,484 units had been sold at that date at an estimated charge against the War Housing Insurance Fund of \$274,510. Under section 608 of title VI, the rental-housing phase of the program, mortgages on 479 projects providing 37,000 new dwelling units had been insured as of December 31, 1945. Of these projects, one had been acquired and one mortgage note had been assigned to FHA under the terms of insurance. The acquired project and the mortgage note had been sold with no loss to the War Housing Insurance Fund.

I trust the above information on title VI will cover your requirements for information on title VI. If any further figures on

title VI operations are needed I shall be glad to supply them by telephone.

Sincerely yours,

RAYMOND M. FOLEY,
Commissioner.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This is the amendment that was sent to the Chairman, and we gave some consideration before adopting it. I do not think there was anybody on the committee against this particular amendment. The gentleman from Michigan [Mr. WOLCOTT] has an amendment pending, incorporating practically this language.

Mr. PATMAN. The gentleman is correct.

Mr. BROWN of Georgia. I do not think there will be a single vote against it. I think we are killing time to discuss this matter.

Mr. PATMAN. I will be just as brief as possible, I will say to the gentleman from Georgia.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New York.

Mr. BARRY. Where the figure \$7,200 appears in the amendment, it applies to a one-family house, but the total price that the house could be built thereunder would be \$8,000.

Mr. PATMAN. That is right.

Mr. BARRY. Would that not make it very difficult for a house to be built in great metropolitan areas?

Mr. PATMAN. The committee considered that, I will say to the gentleman from New York, and there was not sufficient sentiment to change it. I know that the gentleman made a hard fight for a change, but the committee did not adopt it. This amendment, as read, was prepared at the instance and request of the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], and he had mimeographed copies of it and called the committee together and we discussed it, and I do not think there was any member of the committee against it, or at least, we did not hear of anybody against it. Sentiment seemed to favor it, although they did not adopt it.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Of course, there were people against that amendment.

Mr. PATMAN. I did not hear them express themselves. Of course, we did not adopt it, I will say to the gentlewoman from Illinois, but I do not think there should be any opposition to it.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I am wondering if I am correct. As I heard the reading of the amendment, the language is identical with part of the Wolcott bill, is it?

Mr. PATMAN. That is right. The Wolcott language was taken from the Spence language, and it is identical. We considered this amendment in the committee prior to the introduction of H. R. 5579 by the gentleman from Michigan [Mr. WOLCOTT].

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas.

There was no objection.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I have only a minute.

Mr. SADOWSKI. I would like to ask a question. I would like to have the gentleman explain why title VI has been eliminated and is not being used at the present time.

Mr. PATMAN. The authorization is now reduced to only \$31,000,000.

Mr. SADOWSKI. Is that the only reason?

Mr. PATMAN. Any way, this is desired by Mr. Wyatt, it is desired by the chairman of the committee, it is desired by everyone in connection with this housing program. In 1 minute I cannot discuss all of it, I will say, but during the war we had \$1,800,000,000 for war workers and now we are asking for \$1,000,000,000 to insure mortgages only for veterans of this war. That is all we are asking for, and I hope it will be done.

Mr. BARRY. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRY to the amendment offered by Mr. PATMAN: Page 10, line 16, strike out "\$7,200" and insert "\$8,100."

Mr. BARRY. Mr. Chairman, I concur with most people that a continuation of title VI is necessary. It was put into effect about 1942 and was responsible for the building of many homes for war-time workers during the war period. As I understand, it expires in June and it will be necessary for us to continue it with an additional appropriation.

This amendment is found in Mr. Wolcott's bill as well as the pending bill. The only thing I am attempting to do, by increasing the amount from \$7,200 to \$8,100, is to permit houses to be built in metropolitan areas like Chicago, New York, Philadelphia, Boston, Los Angeles, and so on, up to the amount of \$9,000 and higher if the builder increases the down payment. As a matter of fact, most builders in my part of the country tell me it is almost impossible to build a house for less than \$10,000. My amendment will permit insurance to be placed to the amount of \$8,100, so that, if we find it necessary, houses under this amendment of title VI can be built up to the cost of \$9,000.

The gentleman from Michigan [Mr. WOLCOTT] may argue that it actually places no ceiling in that anyone who wants to take out a mortgage for \$7,200,

by making a 20 percent or 30 percent down payment can still get a house for \$9,000, but I contend that you will not get very many veterans of this war making down payments of 20 to 30 percent.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. I am in favor of the gentleman's amendment, particularly because a builder in my district who builds from 30 to 40 homes a year came to my office and explained that some of these houses cannot be built at the minimum of \$6,000. He desired an elasticity up to \$10,000. The gentleman's amendment permits up to \$9,000. I think it is very fair in the interest of those districts throughout the country where cellars are needed and central heating is needed. I hope the gentleman's amendment will be adopted.

Mr. BARRY. I thank the gentleman. This amendment can really do no harm. If it is discovered that we can build houses for less than \$9,000 we will do it, but if it develops that we cannot build houses in the great metropolitan areas, especially, for less than \$9,000, then you will actually bar those areas from any housing under title VI.

Mr. Chairman, I hope the committee will support this amendment.

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from New York.

Mr. GAMBLE. This bill is designed to construct homes for veterans throughout the country. What I fear is that if the gentleman's amendment is not adopted that there will not be any houses built for veterans in the metropolitan areas, including the district I represent. I hope the amendment is adopted.

Mr. BARRY. It restricts the house to an insurance of \$7,200, which will permit a house of \$8,000 to be built, which I am sure is too low for the metropolitan areas such as the one from which the gentleman from New York comes, to wit: Westchester County.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from California.

Mr. HINSHAW. I concur with the gentleman in his inclusion of the Los Angeles area, where the costs of building have gone up very materially during the war and bid fair to remain there. If there is not such a higher limitation, I doubt that many homes can be built except temporary homes.

Mr. BARRY. I am quite sure the gentleman is right.

Miss SUMNER of Illinois. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. PATMAN].

Mr. Chairman, the trouble with this amendment is that it is not timely. As the housing situation eases, and it is bound to ease regardless of what the Government does because people are going to build houses by hook or crook regardless of OPA restrictions, there will not be such an inflated condition as at present. Mr. Fahey, head of the HOLC, testifying before the Committee on

Banking and Currency, said the price level in general of houses at present is already dangerously high. He said it is already above the 1928 level. When you force \$3,000,000,000 of extra money into the country, you simply increase the inflationary pressures which are raising the prices of houses, before you get a sufficient number of houses.

Mr. Fahey, on page 146, said:

We have a very artificial situation in the country at present in the sale of houses. The competition between lenders for home mortgages is so hot that borrowers and brokers shop around for excessive loans to finance inflated sales. Brokers get commissions for bringing mortgages to some lending institutions, and in some sections that competition is such that payments of 1½ and even 2 percent to brokers, are quite common. When they have a prospective buyer for a piece of property they want to get as high a price as they can for it and want to get as high a mortgage as they can, and they shop around on it, and that results in a good deal of inflation of price.

It seems to me that we are doing a very great wrong when we in this way increase these pressures on the prices of houses that veterans are trying to buy with this money which would not enable them to get more houses. Besides, it means that the veteran is going to be buying a house of which he will subsequently have to take a loss. Today the most reliable realtors in the pressure spots where the shortages are great are saying to the veterans, "Just hang on to your precious savings a little while longer." The housing situation is bound to ease up. Let the suckers get into the market now. If you wait just a little bit longer, regardless of what the Government does, there will be more houses. If the Government will get the OPA off the necks of the producers and the builders, the situation will so ease that within 8 months you can really get your money's worth.

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, one of the questions I have been wrestling with ever since this bill came before our committee was that of being a party to a general movement on the part of the Federal Congress of inducing veterans to purchase in a market which is a seller's market and which in my opinion is too high. When the original title VI was enacted into law, we placed a \$5,400 insurance authorization on a single-family residence; \$7,500 on a two-family residence; \$9,500 on a three-family residence; and \$12,000 on a four-family residence. I think experience has proven that those insurance values were sound. In other words, a \$5,400 insurance mortgage on a single-family residence is not high as a maximum. The gentleman from New York [Mr. BARRY] now proposes that we raise that \$5,400 insurance authorization to \$8,100 on a single-family residence, wherein you sell a house for \$9,000 and insure it for 90 percent, which is \$8,100. I can appreciate the difficulty that a person is up against who wants to build in New York City or in some other large metropolitan area. But, I repeat, I am wrestling in my mind with the proposition of being a party to insuring a deal

which induces a veteran to go out and spend \$9,000 for a single-family residence.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BARRY. This provision would only apply if the Administrator finds it impossible to insure a house for \$5,400 or to build a house for \$6,000.

Mr. CRAWFORD. I would not say "impossible" because the proviso on page 10 of the Wolcott bill states:

Provided, That the Administrator may if he finds that at any time or in any particular geographical area it is not feasible within such limitations of maximum mortgage amounts to construct dwellings.

It is not feasible. Well, what is feasible in the minds of the administration? I do not know. I have seen so many things happen that are claimed to be feasible. But my greatest problem in connection with title VI is the raising of that figure from \$5,400 on a single residence to \$7,200, to say nothing about \$8,100, because the average GI will not have sufficient income to pay for this house after he buys it.

I have grown up under the American enterprise system. I know what it is to work and save the first dollar. I know what it is to work and save the first hundred dollars, and the first thousand dollars. When a man starts out today and attempts to raise a family, under our present debt structure and tax burden, he has got to go some to pay for a \$5,000 home, to say nothing about a \$9,000 home. That is the big problem in my mind.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Miss SUMNER of Illinois. In 1928, some of us who were in New York kept saying, Why does the Government not say something to get these people out of the stock market who do not know anything about it, where they are bound to lose? Does not the gentleman think one of the best things Mr. Wyatt could do would be to say, "Hold your money in your pocket for a little while until we get a few more building materials"?

Mr. CRAWFORD. If I had sufficient confidence in the future buying power of the American dollar, then I would go along with the lady on that, but our fiscal policy is so damnable; so nearly approaches economic treason against our own people, by deficit spending and devaluation of the currency and then offering a prayer in the name of OPA, that I cannot go along with telling people to hold their money. I know not how many more steps the administration will take to further dilute the peoples' currency.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. BARRY. Under the present material prices and the present labor prices, does the gentleman believe it is possible to build a house in the great metropolitan areas for less than \$9,000?

Mr. CRAWFORD. That is not what I am debating. The trouble I am having is to go along with a program which includes the veteran to obligate himself to

pay \$9,000 which the average veteran cannot pay.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SHORT. Mr. Chairman, inasmuch as I have not said a word so far on this bill, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Chairman, we have heard much talk here on the floor of the House the past few days about the housing problem—the veterans' housing problem—and about the grand program of that super-salesman, Mr. Wilson Wyatt, to solve it with emotion. So much has been said that it, indeed, belies the observation that "all is Wyatt on the housing front." We all know, of course, that this Wyatt program is political and is a fraud upon the veteran because those who propose it know that it will not get the materials and more houses it promises. It is proposed in the face of almost universal opposition from the responsible elements of the construction industry, both management and labor. It has many objectionable features but perhaps the worst is that it postpones again that day when our economic problems are settled in the open market place instead of behind the closed doors of planned economists and bureaucrats who seek to protect their manipulations by wartime espionage statutes.

Important as the Patman bill is, the high command of big Government regards it primarily as a political weather-vane. It is just another new deal political trial balloon. Its \$600,000,000 worth of subsidies is peanuts to these people. Its effect on the production of more houses is of interest only to the extent to which it will get votes. It is a good issue to test the sentiment of the people; how much stomach they have now for more and continued controls; whether they still fall for the old story of "emergency" and, particularly, what is the strength of the opposition.

The Patman bill is the first of a series of tests of the sentiment of the people and of the strength of the opposition. The high command for big government proceeds slowly and with care for the stake is high. A free country or one in economic bondage.

If the reception given the Patman bill indicates it is safe to advance the skirmish lines of permanent big business, then the next test is in order. The Wagner-Elvehjem-Taft bill, S. 1592, is earmarked for this. This is the bill which places the Government permanently in the housing business. It establishes State socialism.

If these two major housing bills are enacted then the forces of permanent big government with the backing of radical CIO-PAC labor will be in a position to strangle several hundreds of thousands of small businessmen—the contractors,

dealers, builders—and their more than a million skilled construction workers. They will be able to do this by revolutionizing construction to their pattern with their monumental errors being paid for by the taxpayer at a cost of billions.

That, itself, is cause to pause, but this is not the primary goal of the high command of permanent big government. The next step is extension of the Emergency Price Control and Stabilization Acts (OPA) for 1 year, at least, to June 30, 1947. That will mean one more full year of Bowleism. Bowleism is that type of economic crusade that involves profit control, curtailed production, and strike turmoil that has followed in the wake of the policies of Mr. Chester Bowles.

But even the Wyatt housing program, the WET permanent Government housing bill, and another year of Bowleism is not the main goal of these leftwingers who seek these social and economic revolutions. They want to "make America over." Shades of Tugwell.

What they really want is an extension of the Second War Powers Act. That is the act under which all of this economic panacea are performed. It is under this act that priority powers are exercised and from it stem all manner of interpretations by fiat that have brought out economy to a grinding halt at a time when it could easily be moving forward at high speed. It is under this statute, imposing wartime legal conditions on a nation now presumably at peace for the past 7 months, that bureaucracy has run wild and is trampling on individual freedoms and is making a mockery of constitutional rights.

OPA recently was denied authority to use certain questionnaires that went far afield of price fixing. The Budget Bureau did so under the Federal Reports Act of 1944. Yet OPA illegally and by subterfuge is going about the country using illegal questionnaires. That is the condition you spawn under guise of a fictitious wartime legal status.

Mr. Wyatt and his henchmen promise industry and labor that he will consult them on matters that affect industry. Yet there has been in preparation for many days an order halting all construction except that for Mr. Wyatt's miracle houses. Management and labor in this case were not consulted and in fact the bureaucrats regard it as ultra top secret, even more so than the atomic bomb. Espionage prosecution is threatened those who might "leak" information on this order.

The Second War Powers Act expires on June 30, 1946. It is, indeed, singular, that we have heard no drum beating by the administration to get this basic act extended so that the planning and intrusion upon the rights of citizens can be continued ad infinitum. Why have we not heard? The answer is simple?

The strategy of the administration is to wait until near the dead line—near the expiration date of this act—and then come in with a demand for immediate enactment of extension legislation. They will cry that the fate of the Nation impends. No choice will remain. Act or die—politically.

They do not call attention to this situation now. They want shotgun action.

They do not want to give the people a chance to find out about the implications of this wartime law. They do not want the people to get an inkling that they are to be shackled again for 6 months, a year, or maybe forever.

The time has come when the issue must be faced. We all know that production is the antidote to inflation. We all know that the way to get production is to give an incentive—fair profits and good wages. We know that we have been through a great war and that our economy has been wounded and that we must pay for our waste—the waste of war and the waste of bungling. We had better stop printing money and begin producing goods. There is no short cut to recovery.

The time has come to pay, to quit postponing that day of reckoning. Removal of wartime restrictions will result in some rapid realignments. Not as great and as numerous as many of us might think. Some will be drastic, nevertheless, and it may be that some controls should be taken off progressively. Some degree of controls must be retained during the period of reconversion.

But take them off we must. It is time to set a definite date to end them and with that compelling need in mind I herewith submit that the Congress adopt at this time a concurrent resolution proclaiming officially an end to the war and to the various and sundry emergencies with which we have been so sorely plagued for so many years.

I make this move supremely confident in the ability and in the ingenuity of the American people, in the American way of life and the American way of doing business to meet and overcome whatever emergency might arise in concluding this legal fiction of emergency.

Mr. Chairman, under leave granted me in the House, I submit only a few of the many letters, telegrams, and a brief article from the Kansas City Times received by me violently opposing this proposed legislation:

[From the Kansas City Times of January 25, 1946]

HOUSING BLAME ON OPA—LACK OF MATERIALS CAUSES CRISIS, A LUMBERMAN SAYS—BUILDING IS STALLED, AS MILLS WILL NOT OPERATE UNDER CEILING RULES, C. C. SHEPPARD ASSERTS

The building industry of America could end the emergency of the housing shortage in a year if the Government would permit it to do so, speakers at the Southwestern Lumbermen's Association convention in the Little Theater of the Municipal Auditorium declared yesterday afternoon.

"The housing shortage in this country is not caused by the inability or the unwillingness of the building industry to build homes, but because Government regulation through the Office of Price Administration has made it impossible for private industry to get the building material with which to operate," said G. H. Zimmerman, of Waco, Tex., vice president of William Cameron & Co.

FEAR GOING BROKE

"The mills of the southern pine lumber industry cannot and will not operate under the OPA ceiling price regulation," C. C. Sheppard, president and general manager of the Louisiana Central Lumber Co., Clarks, La., declared. "They cannot and will not because they do not want to go broke."

"The fighting phase of World War II—with guns and bombs—is over," Edward G. Gavin,

Chicago, editor of the American Builder, said, "but we are right in the middle of the second phase of the war—to knock Chester Bowles and the OPA out of the governmental picture.

"When a governmental agency won't let me spend my own hard-earned money the way I want to in building a home, then I feel it is the time for me to get up on my hind legs and do something about the men we have let take control of what we call our Government.

HE WANTS TO BUILD

"I want to build a new home. I want to pay my money for the material and workmanship that is going into that home. But OPA will not let me do it, because they say the money I am willing to put into that home would mean inflation.

"And to avoid that inflation, in their manner of thinking, they refuse to let me buy the material at a price that will permit the man who produces that material even to make enough money to pay for his production, let alone paying him a price that will give him a fair profit.

"Thousands are getting lumber and other building material by paying the price of the black market. Also in this way they are getting nylon stockings and all the other price-ceiling goods."

Gavin urged the lumbermen to appeal to Congress for the immediate termination of OPA control of the Nation's industry.

S. Lamar Forrest, Lubbock, Tex., president of the National Retail Lumber Dealers' Association, criticized the Government for permitting heavy export of lumber in a period of shortage in this country.

PRODUCTION HOPE DIM

Sheppard declared there would be no general increase in production of southern pine under present OPA ceiling prices. He said the production in 1946 would be less than 6,000,000,000 feet of lumber against more than 16,000,000,000 in the peace years of the thirties.

He said that if OPA control were removed increase in lumber prices would result, then the industry would "level off under the law of supply and demand to a fair return to industry, a fair wage to labor, and a fair price to the consumer."

Tom Collins, public-relations representative of the City National Bank & Trust Co., spoke at a dinner last night. Officers will be elected this morning. Speakers today include Ray E. Saberson, trade promotion manager of the Weyerhaeuser Sales Co., St Paul; W. W. Wood, Washington, publisher of Small Homes Guide; and J. R. Blunt, Seattle, representing the West Coast Lumbermen's Association.

STANLEY-THOMAS LUMBER CO.,
Carthage, Mo., January 28, 1946.

Hon. DEWEY A. SHORT,

House of Representatives,

Washington, D. C.

HONORABLE SIR: I have just returned from the Southwestern Lumbermen's Convention in Kansas City for dealers in the four-State area of Missouri, Kansas, Oklahoma, and Arkansas and am herewith enclosing an article from the Kansas City Star which expresses the opinions of all the dealers against the OPA.

I am very much against the continuation of the OPA as like all other merchants I think they have done more to retard business than any other organization could possibly have done.

We have just had a very unpleasant experience with them in our business which we feel was most unjust and which we feel was not the original intention of the OPA.

On December 21 one of the OPA checkers came into our place of business and asked to see our sales tickets for the year of 1945 and later we were notified to appear in Joplin and was fined \$235 for four counts of over-

charges together with \$35 court costs. There was no overcharge on any of our tickets and because we did not have a full description of the lumber sold as to dense, kiln dried, etc., they called it an overcharge. Had we had all this information on our tickets we would have been 25 cents under the ceiling. We took our invoices and volunteered to make an affidavit regarding the same but they refused to look at our invoices and would not accept an affidavit. We have been in business for a long time in Carthage and in all our experience we were never asked to put all this information on our sales tickets.

The OPA makes rules and regulations of their own which no one seems to be able to interpret correctly according to their way of thinking. Every lumberyard they have checked in this area has been fined on technical errors the same as ours was and we do not think our Government was intended to stoop to such low tactics to perpetuate bureaucrats in office and make added burdens on the taxpayers.

I sincerely hope you will use all the influence you can to oppose the continuation of the OPA as well as the Wagner-Ellender-Taft General Housing Act of 1945 and the Patman bill which we understand is coming up soon. In our opinion both bills are depression measures.

Very truly yours,

STANLEY LUMBER CO.,
HOMER L. STANLEY.

THE HADLEY TATUM CO.,
Joplin, Mo., February 23, 1946.

Hon. DEWEY SHORT,

Washington, D. C.

DEAR MR. SHORT: In the absence of my stenos this p. m., I am writing this myself.

It is my understanding that the Patman bill and amendments for ceiling prices on homes and lots comes up in the House on Monday. Well, from my previous letters on the subject you know what my attitude is on this bill but allow me to say further that the taxpayers in this area are as a body also against this bill, which is communistic, small "c," in every respect although cloaked in the proverbial sheepskin.

Also you know what the ceiling did to the used car market; it created one of the worst black markets we have had. This bill will kill off the legitimate trading in real estate and open up a similar black market in it.

It is inconceivable that the House of Representatives would favorably consider this bill and I and we trust that you will use all of your power and strength to oppose it.

My son, George, who is now associated with me in my business, sends his best regards to you and I wish you Godspeed in checking the tendency of this country to run amuck.

Also with my best regards to you, I remain sincerely yours,

HADLEY TATUM,
For self and the Joplin Real Estate Board.

JOPLIN, Mo., February 27, 1946.
Representative DEWEY SHORT,
United States House of Representatives,
Washington, D. C.:

The use of Government funds to equip new plants for production of mill work and prefabricated houses as is proposed by Wyatt program is very disturbing. Such a provision is unnecessary as ample capacity already exists to fabricate all raw materials that are available or that will be available through stimulated production. This portion of the program will not increase the production of raw materials but will only decrease the existing supply to all plants. Increased costs will later become a serious menace to present industry and employment in Missouri. As an alternate, we suggest that OPA become

active to remove obstacles which hinder production of items needed. Your prompt attention and able support toward solving this serious problem is earnestly solicited.

LONG BELL LUMBER CO.,
R. H. BASKETT,
General Manager.

CARTHAGE, Mo., March 4, 1946.

Hon. DEWEY SHORT,

House of Representatives,

Washington, D. C.:

In the opinion of the majority of our businessmen, the proposed housing bill will deter rather than help the situation. If the exportation of millions of feet of building materials, particularly lumber, was stopped, these would accumulate plenty for home building in reasonable time. Vote against any subsidy to the lumber manufacturers.

Raise the price and stop the black market.
H. W. PUTNAM.

Mr. Chairman, I have received only three communications from veterans' organizations supporting this legislation. These telegrams were sent to me only last Saturday night and I am convinced that the members of the Legion have not read, let alone studied, this bill, and do not realize how un-American it is and how disappointing it will be if enacted into law.

On the other hand, I have received scores of letters and telegrams, as well as convincing articles from not only contractors, builders, wholesale and retail lumbermen and real estate men, but from several chambers of commerce, many successful businessmen, all of whom had relatives in the war, and many of whom served in the war themselves, and who are well acquainted with the subject, all protesting vigorously.

No one can deny that we now have a shortage and a very acute one in housing. We also have an emergency in sugar, in wheat, in automobiles, in steel, transportation, and many other commodities and services.

All of us want to help the veteran and certainly this Congress has bent over backward to be generous to him. We must not forget, however, that the veteran, his children, and his grandchildren, will have to pay back all the money that Congress is now appropriating.

This is not a veterans' housing bill. It is a subtle scheme, dressed up in white robes and sweet-sounding phrases to build up a powerful political machine. It is also clear that Mr. Wyatt is going in heavily for prefabricated houses. They will resemble barracks more than dwellings.

Mr. Chairman, instead of helping the veteran, this bill, if enacted into law, will enslave him. This legislation will not free materials nor will it build new houses. The few big, favored contractors will manufacture many synthetic shacks and ersatz shanties all over the country, which will be an eyesore to this Nation for years to come. The poor veteran who will be forced to put up collateral and to invest his meager savings will learn before long, what a grave mistake it was to put his scant earnings into a crackerbox or a chicken coop, in which no ambitious or forward-looking American would want to live.

I predict, sir, that if this vicious bill becomes a law, the veteran will receive less than 20 cents on the dollar he in-

vest; and will soon find it impossible to pay off the mortgage slapped upon his would-be home. The administrative costs under this bill are three times that under private business. I know that when the veterans discuss the matter with their parents, their real friends, and good intelligent, patriotic Americans, they will see the supreme folly of such a preposterous proposal and will become fully aware of these wolves roaming about in sheep's clothing.

Veterans, beware of these Greeks bearing gifts. You fought too long and hard, too many of your comrades have died, and more have been incapacitated for life in a war to destroy communism for you to accept it now.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, it is always interesting to listen to my good friend from Missouri [Mr. SHORT]. During his remarks of a general nature, in which personal characterizations were made of different men, he referred to the Second War Powers Act and said that an effort would be made to delay it until just prior to the present expiration date of that act.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. CHELF. For the gentleman from Missouri's information the Second War Powers Act is now being discussed by the Judiciary Committee.

Mr. McCORMACK. I was coming to that. I may say for the benefit of the gentleman from Missouri that several weeks ago I wrote a letter to the chairman of the Judiciary Committee asking early action on that matter. I also note that the matter has been referred to a subcommittee of the Committee on the Judiciary. Of course, if my friend from Missouri had made inquiry he would not have made the statement he did just now because every effort is being made to expedite consideration of the extension of the Second War Powers Act. I repeat, several weeks ago I wrote a letter to the chairman of the Judiciary Committee requesting early consideration.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. SHORT. However, it has not yet been reported?

Mr. McCORMACK. No. The gentleman knows what the committee action is.

Mr. SHORT. June 30 will soon be here.

Mr. McCORMACK. The gentleman is correct. I hope that quick action is taken, but I want to disabuse from the gentleman's mind the fact that efforts have not been made to have quick action taken. Also in reference to the OPA, we hope for early action on extension of the Price Control Act.

Mr. CHELF. Mr. Chairman, will the gentleman yield again?

Mr. McCORMACK. I yield to the gentleman from Kentucky.

Mr. CHELF. I may say that the press is there every day that these discussions are being had before the Judiciary Committee; the people are not being hoodwinked but are being advised and if the

gentleman from Missouri will read the daily papers he will see that the situation is being given every possible consideration in the committee with the desire for an early report.

Mr. McCORMACK. My friend from Missouri is probably so busy on other matters that he is unable to keep in touch with the actual progress of the Second War Powers Act. I am sure if he had the information before him that I have just given him he would not have made the observations that he did make just now.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. BARRY. I would like to ask the gentleman if there are not sections in Boston where there is a necessity for the building of houses up to \$8,000?

Mr. McCORMACK. I think the gentleman's amendment is a very fair one. It relates to an emergency situation.

Mr. Chairman, I do not think the gentleman from Michigan [Mr. CRAWFORD] vigorously took a position in opposition to the amendment. He did indicate caution and I think, looking at it from the permanent angle, after we get over this present housing emergency, that his position may be a sound one, it is a correct attitude, but in the light of the situation that confronts us today so far as housing is concerned, I think that we might as well act favorably upon the amendment offered by the gentleman from New York. With the readjustment of the housing situation and a more normal condition existing, the remarks of the distinguished gentleman from Michigan [Mr. CRAWFORD] would probably properly apply. If I interpreted his state of mind correctly, based upon his remarks, I did not understand him to take a position in opposition except to give to the House the historical background of the FHA legislation with reference to the insurance of single-family houses.

I have no further observations to make in reference to the remarks of the gentleman from Missouri [Mr. SHORT]. Every piece of legislation that has ever passed this House has received the charge of socialism and destruction of the private economic system.

I remember when the Social Security Act was passed. We heard the same cry. I remember the passage of the Federal Deposit Insurance Corporation law. We met the same cry. I remember every progressive piece of legislation that has passed this House in the last 13 years. They always made the same charge—that its passage would bring about a destruction of our system of individual and private initiative. I also particularly refer to the Securities and Exchange Commission Act. That was a bill aimed to control the fraudulent sale of stock; a bill to control the misuse of the stock exchanges of this country. Some members of these stock exchanges had been building up the prices of stock and unloading it on the public, the public being the sufferers. In plain language, the public was used, as one man well said in appropriate language, as

"suckers." I also remember the passage of the bill to control and eliminate unnecessary holding companies. All progressive legislation that has been passed during the last 13 years has met the same charge. So we, who have supported such legislation, know that the gentleman from Missouri is only giving the old argument relating to the present bill.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last four words.

(Mr. OUTLAND asked and was given permission to revise and extend his remarks.)

Mr. OUTLAND. Mr. Chairman, I also listened with interest to the remarks made by the gentleman from Missouri [Mr. SHORT]. I heard him say that under the pretext of an emergency, bills have been introduced and passed in this House, and the implication was that there was no emergency now. I wish the gentleman from Missouri would go out to California with me and see hundreds of World War veterans striving to find homes, doubling up with their relatives, sleeping in garages, and begging this Congress to take some action and not scuttle the first decent housing bill we have had. Then he would think that there was an emergency. It is the most acute emergency imaginable. The gentleman also regarded those favorable to this bill as being left wingers, Communists, PAC's and bureaucrats, and he called Mr. Bowles names in much the same vein that Mr. Wyatt was derided on this floor last week. It was one of the best strictly Republican speeches I have heard on the floor of this House for a long time, and I only hope it is repeated out in California. As a matter of fact, the gentleman would win many votes for me if he would give that same speech at every town in my district.

May I say one thing more, Mr. Chairman? On March 3 there was an Associated Press dispatch, a portion of which I want to quote. It speaks about the fact that the Republican Party strategists foresee a clear majority of at least nine seats in the House when the Eightieth Congress convenes in January. Here is where they expect to make their gains. Mr. Chairman, I hope that the Members on my own side will pay particular attention to this detailed analysis of Republican hopes; it will be interesting to look back upon later, just as similar predictions in 1944 are interesting to contemplate now:

Connecticut, four; New York, three; Pennsylvania, six; Delaware, one; Maryland, one; West Virginia, two or three; Ohio, two or three; Michigan, one or two; Wisconsin, two; Montana, one; Washington, one or two; California, four to six; Utah, one; New Mexico, one; Illinois, three to four; Missouri, two to three.

Mr. Chairman, I cannot speak for the rest of the States, but any Member on the Republican side who wants to make a wager that his party is going to take four to six seats in California, and if he will just put up, I have a pretty good idea that somebody out in California will find the wherewithal to cover it.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I will be glad to yield to the distinguished minority leader later.

I will say, Mr. Chairman, that if there was ever an opportunity to pick up four to six seats in California, and I doubt that there ever was such an opportunity, that opportunity disappeared with the strategy that has been followed in attempting to kill the housing bill. I expect to speak at every opportunity to veterans' groups and to tell them just who is responsible for scuttling their hopes for a decent, comprehensive, housing plan.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I now yield to the distinguished minority leader.

Mr. MARTIN of Massachusetts. I was sorry to hear the gentleman on the floor of the House advocating a transgression of the laws. The gentleman understands, of course, that no Member of the House can bet.

Mr. OUTLAND. Oh, yes. I shall answer the distinguished minority leader. As I said before, if any minority Member wishes to come forward with a wager that his party will pick up from four to six seats in California, all he has to do is to proclaim that fact, and I am certain he will find many people in California who would take him up. As a matter of fact, I suspect that some astute Republicans out there would be willing to do so. However, as the minority leader has pointed out, it would be wrong to suggest that any Member of this House should violate the law by offering to bet. Moreover, it would be foolish. Personally, of course, I think I would be very indiscreet to make any wager on any subject at any time.

Mr. BROWN of Ohio. It would be very indiscreet.

Mr. OUTLAND. I am speaking of the illegality of it. In this particular case it would be silly for a minority Member to make such a wager. I feel confident none will.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the gentleman from Massachusetts, the distinguished majority leader.

Mr. McCORMACK. The offer could be made, for example, that the loser would donate \$1,000 to charity.

Mr. OUTLAND. I do not care how the offer is made, but I will say that anyone who thinks the Republicans are going to pick up four to six seats in California after what has happened on the floor of this House in the last 5 days is just talking through his hat. Californians, veterans and nonveterans alike, are going to know just who it was that defeated a good housing program, and the results will be evident in November.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 25 minutes.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Chairman, may I ask the gentleman if he is going to try to finish the bill today or next week?

Mr. SPENCE. Right away. I am perfectly ready to vote now. If we can have an immediate vote, Mr. Chairman, I am willing to withdraw my request and ask that the vote be taken now. The argu-

ments do not seem to be addressed to the pending amendment. There will be plenty of opportunity in the future to talk.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BARRY] to the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 93, noes 95.

Mr. BARRY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. PATMAN and Mr. WOLCOTT to act as tellers.

The committee again divided; and the tellers reported that there were—ayes 119, noes 110.

So the amendment to the amendment was agreed to.

Mr. HEALY. Mr. Chairman, I offer an amendment to the Patman amendment.

The Clerk read as follows:

Amendment offered by Mr. HEALY to the Patman amendment: Strike out the following language from the amendment offered by Mr. PATMAN, of Texas:

"Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"(A) \$8,100 if such dwelling is designed for a single-family residence, or

"(B) \$10,800 if such dwelling is designed for a two-family residence, or

"(C) \$13,500 if such dwelling is designed for a three-family residence, or

"(D) \$16,200 if such dwelling is designed for a four-family residence."

The CHAIRMAN. The gentleman from California [Mr. HEALY] is recognized for 5 minutes in support of his amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. HEALY. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment offered by the gentleman from California close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. SPRINGER. Reserving the right to object, Mr. Chairman, I would like 5 minutes on this amendment.

Mr. SPENCE. Mr. Chairman, I modify the request to make it 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. HEALY. Mr. Chairman, in view of the vote just concluded on the amendment offered by the gentleman from New York [Mr. BARRY] I realize there is little chance of this amendment being adopted. However, because of the possibility of some of the Members not realizing the implication contained in this part of the amendment of the gentleman from Texas [Mr. PATMAN] and of course the same applies to the amendment offered by the gentleman from New York [Mr. BARRY],

I would like 5 minutes to present my views.

As far as this veterans housing bill is concerned, personally I have been one of its strongest supporters, in its original form. I have voted in favor of ceiling prices, both on new homes as well as on existing homes. I have voted in favor of subsidies for building materials where necessary. Of course, I voted against shortening the length of time during which this bill will apply. As far as I am concerned, the main purpose of this bill is to provide homes for veterans at the lowest possible cost.

My amendment to the amendment of the gentleman from Texas [Mr. PATMAN] to H. R. 4761 will eliminate only that portion which provides for the granting of larger loans under title VI.

If this provision is not eliminated, the maximum loan on a single family dwelling will be increased from \$5,400 to \$8,100. Since 90 percent loans guaranteed by the Federal Government are provided for under title VI, the present provision in the bill would make it possible to finance a \$9,000 home compared with the previous \$6,000 limitation.

If my amendment is not adopted, the thing that is going to happen is that the majority of builders, probably all of them, will concentrate their efforts on the construction of homes costing \$9,000 rather than \$6,000 or less because of the larger profit possibilities. I, for one, cannot agree with those who have thus far claimed that it is impossible to build a home for \$6,000 even in large metropolitan areas, provided, of course, the land cost is not too great.

I wish to cite an example of some homes that were recently constructed in nearby Virginia, in fact at Front Royal, Va. There is a rayon factory at Front Royal that employs a considerable number of workers. Many of them found it impossible to obtain housing. Through their union they attempted to get a contractor to bid on a group of houses, 50 to 100 or 150. The lowest bid they received was \$8,000 per housing unit for a house containing two bedrooms. Finally, they employed their own architect on a consulting basis, bought their own land, let out a contract to a private builder, and constructed 50 homes which have just recently been completed at a cost of \$5,150 per home, which included an \$800 cost for a lot 60 feet by 150 feet, with all improvements in. Furthermore, each house has a living room with natural fireplace, dining room, kitchen, modern bathroom, two bedrooms, hardwood floors, full basement, and an unfinished second floor with room for two additional large bedrooms. The houses are substantially built and are of brick veneer construction. If in some large cities the land values are somewhat higher the cost naturally would be somewhat higher; but in my opinion if we adopt this amendment which I have proposed it will limit these 90 percent loans to homes costing \$6,000 or less and will not encourage builders to produce homes in the \$8,000 and \$9,000 class.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HEALY. I yield.

Mr. BARRY. It is just impossible to buy a building lot for \$800 for miles near a big city.

Mr. HEALY. Very well, I agree to that. But, if we are to afford the security of a home for the veterans, we must concentrate on homes that can be built for around \$6,000; land must be bought by the acre to bring the cost down. Eighty percent of the veterans in my district, and it must be true all over the country, are not in position to buy a home costing \$9,000. For veterans who are affluent enough to purchase a home at \$9,000 or more loans are available under title II of the National Housing Act, and instead of getting a 90-percent loan they can secure an 80-percent insured loan. I believe that a person who can afford a \$9,000 home does not need a 90-percent insured mortgage.

The thing we must do is to provide a program which will encourage the building of homes costing \$6,000 or less, for this is the price range within reach of the large majority of the veterans who have just returned from the war.

The CHAIRMAN. The gentleman from Indiana [Mr. SPRINGER] is recognized for 5 minutes.

Mr. SPRINGER. Mr. Chairman, some mention was made awhile ago with regard to statements which have been made with respect to housing. Before Subcommittee No. 4 of the Judiciary Committee on yesterday and today, we have been hearing some testimony upon that very subject. Hon. John D. Small, of the Civilian Production Administration testified on yesterday. During his testimony he was very clear and emphatic upon the subject of his power and authority under the Second War Powers Act. No doubt can longer remain respecting the authority of Mr. Small. He testified that under the Second War Powers Act he had the full and complete power and authority to allocate materials for veterans' homes. He further testified that he is now making those allocations, and he has been making such allocations for quite a while. There is no doubt about that power being extended to him under the Second War Powers Act.

I noticed an article in the Indianapolis Star which is very illuminating upon this particular subject. The article is dated March 2, 1946, and it refers to my own State of Indiana. This is the heading of it: "FHA speeds vet dwellings—1,521 units given approval in State."

That is in the State of Indiana, and I am confident that every Member will find the same condition to exist in your State.

Let us see what the article says:

The State office of the Federal Housing Administration here has approved 1,521 dwelling units for veterans to be constructed under the Civilian Production Administration priorities, R. Earl Peters, FHA Director, announced last night. Applications have been received for 3,547 units.

R. Earl Peters is a very distinguished citizen of our State. His home is at Fort Wayne and he is head of the FHA in the State of Indiana.

The article goes on to say:

It was estimated that two-thirds of the approvals were for houses prices at less than \$7,500.

Nationally, the Civilian Production Administration has approved applications for 150,000 of these veterans-preference dwellings to be given special priorities on building materials in their construction. Almost half of the total will sell for less than \$7,500 or rent for \$60 monthly or less. The FHA processes applications for CPA here.

Why, we already have an agency, according to the testimony given by Hon. John D. Small which has full authority in housing. He has the authority and the power under the Second War Powers Act to make these allocations and he is making them daily. These applications which have been approved in the State of Indiana are allocations that have been made by Mr. Small to FHA in order that veterans housing may be obtained. The fact that 1,521 housing units have already been approved in my State indicates that this program is now in progress.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from New York.

Mr. BARRY. Can the gentleman tell the committee whether or not those applications were processed under title II or under title VI?

Mr. SPRINGER. They were processed under the Second War Powers Act and they were processed under title II.

Now, we have the authority existing in the CPA and through the FHA to do this job. The only bottleneck that you and I can now find is the bottleneck which is provided by the OPA and that can be lifted, insofar as veterans housing is concerned, by the lifting of ceiling prices for veterans housing. I want to see every veteran properly housed, and it is my wish and desire to see every veteran obtain a home at the very lowest cost. However, I do not want to fasten upon every veteran who desires to purchase a home a cost which he cannot bear and a price which he cannot assume. It is my considered judgment that we do not need any "expediter" or any new and expensive agency to handle this matter. We have the FHA, and that agency is doing a splendid job without the additional cost of a new agency to handle it.

Let us get low-cost housing for our veterans, and let us prevent the passage of a measure today which will injure rather than help our veterans.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the increase in the limitations in title VI takes no rights away from the lower brackets. It merely gives the Administrator the power to fix different ceilings in various sections of the country. Obviously that will have to be done. A higher price will have to prevail in the cities than in the country, and because of climatic conditions the prices will have to be somewhat lower in the South.

Mr. Chairman, I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HEALY] to the amendment offered by the gentleman from Texas [Mr. PATMAN].

The amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 128, noes 87

So the amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer a substitute.

Mr. BARRY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARRY. If this substitute is adopted, will amendments thereto be in order?

The CHAIRMAN. As soon as the substitute is reported it will be open to amendment.

Mr. PATMAN. Mr. Chairman, the substitute, as I understand, is identical with H. R. 5579. If I am correct in that assumption, I see no reason why it should be read. Unless the gentleman particularly wants it read, I ask unanimous consent that the reading of the substitute be dispensed with and that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, the substitute has never been read.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. WOLCOTT] be given an extra 5 minutes to explain the bill in lieu of reading the bill. I think he can inform the House much more quickly after reading the first paragraph.

Mr. HOFFMAN. I object.

The CHAIRMAN. Does the gentleman mean that after the reading of the first paragraph the further reading of the bill be dispensed with and that the gentleman from Michigan be given five additional minutes?

Mr. MONRONEY. I ask unanimous consent, Mr. Chairman, that the reading of the bill be dispensed with in consideration of the gentleman's five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. WOLCOTT. Do I not get five additional minutes unless I agree to dispensing with the reading of the bill? I cannot agree to that.

The CHAIRMAN. Objection is heard. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT as a substitute: Strike out all after the enacting clause and insert in lieu thereof the following:

"That the National Housing Act, as amended, is further amended by inserting after title VI thereof a new title, as follows:

"TITLE VII—HOUSING EXPEDITER

"SEC. 701. (a) The Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population; that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available; that it is necessary for the health and safety of the people of the Nation that all the facilities of the Government of the United States be made available and coordinated to obtain a maximum amount of housing construction if the public health and safety are to be secure; that it is the purpose of this title to expedite the construction of sufficient housing at fair and equitable prices to relieve distress, suffering, ill health, congestion, and inconvenience resulting from the lack of housing facilities and the emergency created thereby.

"(b) The President is authorized to appoint, either within any existing agency of the Government or as an independent officer of the Government, a Housing Expediter (hereinafter called the "Expediter"), and the President is authorized to appoint an existing official of the Government as such Housing Expediter. In the event that an existing official is appointed, he is hereby authorized to continue in his present post while serving as Expediter, except that he shall receive no additional compensation by reason of his appointment as Expediter. If the Expediter is appointed within an existing agency of the Government, then his appointment shall be subject to the laws and regulations governing the appointment of officers within such agency, and he shall receive compensation in compliance with such laws and regulations; if the Expediter is appointed as an independent officer of the Government, then such appointment shall be made by and with the advice and consent of the Senate of the United States and he shall receive compensation at the rate of \$12,000 per annum.

"(c) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

"(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

"(2) issues such orders, regulations, or directives to other executive agencies as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, consistent with governing statutes, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

"(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs formulated under this order as are not authorized under existing law;

"(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

"(d) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

"(e) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Expediter to carry out the provisions of this title and such plans and programs as such Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

"(2) The powers so transferred shall continue during the period in which this act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944.

"SEC. 702. (a) Whenever in the judgment of the Expediter there is a shortage in the supply of any material suitable for the construction of housing accommodations he may by regulation or order allocate or direct the allocation of, or establish priorities for the delivery of, such material in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title, with particular regard for the need for the construction of low cost housing accommodations and the need for housing accommodations for rental.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any material or directing the allocation thereof under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, and (2) satisfying the housing requirements of veterans of World War II and their immediate families.

"(c) The Expediter shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

"SEC. 703. (a) It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title. Notwithstanding any termination of this title as contemplated in section 705 (a) hereinafter, the provisions of this title, and of all regulations and orders issued thereunder, shall be treated as remaining in force, as to rights or liabilities incurred or offenses committed prior to such termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"(b) Any person who willfully violates any provisions of this title, or any directive or regulation issued pursuant thereto, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than 2 years, or both, in the discretion of the court imposing such sentence.

"SEC. 704. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this title: *Provided, however*, That so much of the First Deficiency Appropriation Act, 1946 (Public Law No. 269, 79th Cong., approved December 28, 1945), as reads '*Provided*, That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of \$500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945' shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported

educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

"SEC. 705. (a) The provisions of this title, and all regulations and orders issued thereunder, shall terminate on June 30, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the provisions of this act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

"(b) The provisions of this act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"SEC. 706. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other persons or circumstances shall not be affected thereby.

"SEC. 707. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"(1) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed \$3,800,000,000: *Provided further*, That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: *And provided further*, That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title, in such instances and for such periods of time as he may prescribe.

"(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"(A) \$5,400 if such dwelling is designed for a single-family residence, or

"(B) \$7,500 if such dwelling is designed for a two-family residence, or

"(C) \$9,500 if such dwelling is designed for a three-family residence, or

"(D) \$12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liability, prescribe by regulation or

otherwise higher maximum mortgage amounts not to exceed—

“(A) \$7,200 if such dwelling is designed for a single-family residence, or

“(B) \$10,800 if such dwelling is designed for a two-family residence, or

“(C) \$13,500 if such dwelling is designed for a three-family residence, or

“(D) \$16,200 if such dwelling is designed for a four-family residence.”

“(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:—

“(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time.”

“(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word ‘emergency’ and inserting in lieu thereof the words ‘shortage of housing’, and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: ‘The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title.’

“(e) Section 608 (b) of the National Housing Act, as amended, is hereby amended (1) by amending paragraph numbered (2) thereof to read as follows:

“(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator; and (2) by striking out ‘\$1,350’ and inserting in lieu thereof ‘\$1,500’.

“(f) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause ‘(C)’, the following: ‘and any mortgage insurance premiums paid after default.’”

Mr. WOLCOTT (interrupting the reading of the amendment). Mr. Chairman, the balance of the bill is identical with the language which was proposed by the gentleman from Texas, and the other provisions are not controversial. I ask unanimous consent that the further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes in support of his amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. WOLCOTT. Mr. Chairman, is a request to limit debate in order at this time?

The CHAIRMAN. Only by unanimous consent.

Mr. WOLCOTT. I yield to the gentleman.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the debate on the substitute and all amendments thereto be limited to 1 hour, the gentleman from Michigan [Mr. WOLCOTT] to have the first 10 minutes, the gentleman from Georgia [Mr. BROWN] to have the 10 minutes immediately ensuing.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I can see no particular reason why we cannot come to some understanding as to time on the entire bill. As I understand it, the gentleman's request is to my substitute and amendments to the substitute. I think we can go along with the gentleman if he will amend his request to include the substitute and all amendments to the substitute and to the bill.

Mr. SPENCE. I will amend my request.

The CHAIRMAN. Permit the Chair to suggest there are a number of amendments to the bill on the Clerk's desk, as well as some amendments to the substitute.

Mr. WOLCOTT. I would not want to be a party to cutting off debate if anyone wants to offer an amendment. Of course, we are all anxious to dispose of it tonight.

Mr. SPENCE. Could we not agree to an hour on the substitute and all amendments thereto, and then 10 minutes on each of the amendments to the bill? I ask unanimous consent that the debate be limited to 1 hour on the substitute offered by the gentleman from Michigan, and all amendments thereto; and in addition, 10 minutes on each of the amendments to the bill, and that the gentleman from Michigan [Mr. WOLCOTT] may have the first 10 minutes and the gentleman from Georgia [Mr. BROWN] the ensuing 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Miss SUMNER of Illinois. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard, and the gentleman from Michigan is recognized for 5 minutes.

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the substitute and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, the bill in its present form is a good one and I am supporting it. I am asking the Members to support it. I am asking you to vote against any motion to recommit. Under this bill we can allocate the scarce materials to the veterans of this country, and the veterans who have the money can get the homes.

Since we have adopted the Patman amendment by which the FHA is given an additional authorization of a billion dollars, those boys who do not have the money can secure 90 percent of the cost of the lot and home. For these additional benefits for the veterans who

fought this war for us you cannot afford to turn this bill down. Without this bill, on the 30th of June, you will not have these benefits for the soldiers. More than that, we have provided for an expediter who really is the czar over all the housing agencies and can say to any and all of them, “I expect a lot of building materials for the veterans of this country, and they are entitled to priority.” As to too much authority that somebody on the left side of the aisle discussed, may I say that, in this substitute bill there is just as much authority as in the committee bill as reported.

Mr. Chairman, nobody can claim that I have been partisan in this matter. I have stood for the committee bill as reported, and stand for it today, and before I take my seat I am going to show you beyond a doubt that the substitute offered by the gentleman from Michigan [Mr. WOLCOTT] in effect is practically the same bill that we have before us now. Nobody can say I have been doing anything except plugging for these boys to get a home. Furthermore, I do not charge that anybody on either side of the aisle is playing politics. But if you now offer a substitute, which is practically the same as the committee bill, what will the public say? For God's sake let us be like Caesar's wife, above suspicion. What does the committee bill do? It speaks the opinion of the majority of my committee, and the author of the substitute is a member of the committee.

He had the privilege to amend the committee bill if there was any material difference between his substitute and the bill, but he did not dare do so, probably because there was no essential difference. I would not want to think, and certainly do not charge, that the gentleman was after glory for himself or for his party. His attitude now puzzles me. I ask my Democratic colleagues to stand by this bill as reported and not vote for the substitute when there is no essential difference in the two, and you will never make me believe that my friends on the left would vote for the substitute just because the author sits on that side.

What else is in this bill? My good friend the gentleman from Michigan [Mr. CRAWFORD] yesterday placed in this bill a protection for the veterans in the rural sections, the same as for those in the towns and the cities, giving them the same treatment. That protection is not contained in the substitute. My good friend the gentleman from Alabama [Mr. HOBBS] placed in the Patman bill as reported a limitation that the Expediter would have the same and no more authority than the President has under the Second War Powers Act. What more do you ask? How else could you perfect it? We have eliminated subsidies. We have eliminated ceilings on existing homes. We have perfected the bill, and not a single committee amendment was defeated. Very few on the left side of aisle voted against the committee amendments. The author of the substitute did not vote against them.

All that I can see in the adoption of the substitute would be a little glory for the author of the substitute and ignoring

altogether the committee bill which represents the thought of the majority of the committee composed of both parties.

Mr. Chairman, in all great emergencies like war if it is necessary to do things that we cannot do in peacetime under the Constitution of this great country. Therefore, we passed the First War Powers Act and the Second War Powers Act, to do what? To equip our boys with the necessary implements with which to fight, to train our boys to fight, and to produce food and clothes to sustain the heroes on the battlefields and all those in the armed forces of our country.

Someone will say, "If we have the power today, why do we need this bill?" I will tell you why: Because you are not going to extend the War Powers Act in the first place. There are thousands of items that it is necessary to cover in time of war, but you do not need all those powers now. The only thing we are selecting out of the Second War Powers Act is in about five lines, to give the same authority the President has now to an Expediter who will be charged with all the responsibility of producing those scarce materials and allotting part of same to the veterans. The man who votes to recommit this bill and does not give the privilege of allotment of scarce materials to these boys at this time will, in my opinion, have to repent.

Why should the Committee on the Judiciary be called on to extend the war powers act only for housing, when that is the prerogative of the Committee on Banking and Currency? That is one of the thousand things covered by the War Powers Acts. We knew, or at least we thought, that this feature would not be included in the extension of the War Powers Act. Why should anybody criticize us if we want to carry out the authority the President has now and allot scarce materials and supplies to the veterans of this country? We have a splendid bill because it gives the boys the material. If a veteran has the money to buy it he can build. Then we provide for those without money so that they can obtain 90 percent of the funds necessary to buy the lot and construct the house through the FHA, by increasing its authority in the amount of \$1,000,000,000 in the way of secured mortgages. What more can we do?

Mr. Wyatt sent a letter to my chairman some days after we reported the bill and said, "There are three things that I want." They were read to our committee. We did not adopt them then for want of time for consideration. One was a corrective amendment, to insert the word "Administrator" or "Expediter" in one or two places, another was an additional \$1,000,000,000 for the FHA, and the third was subsidies. In this bill we have adopted everything except subsidies. It is true that we cut out the ceiling on old homes, but that does not relate to his functions of producing the materials and building homes.

Most of you on the left went along on the amendment cutting out subsidies. Some of my friends on the right also went along. I thought the paramount thing was to get production. I did not

believe subsidies would get it, even if subsidies would reduce the cost to some extent. I think the greatest need is to get the scarce material so we can give it not only to the veterans but others also.

Mr. SPENCE. Mr. Chairman, I move that debate on the Wolcott substitute amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

Mr. VOORHIS of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VOORHIS of California. Mr. Chairman, if a Member desires to offer an amendment to the Patman bill, is it necessary that his name be recorded now in view of the limitation of time just agreed to by the committee or will the Member have an opportunity to offer an amendment later?

The CHAIRMAN. Amendments to the pending bill would be in order after the debate on the substitute amendment.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. If the substitute is adopted, will it be in order thereafter to offer amendments to the committee bill?

The CHAIRMAN. It would not be in order if the substitute is adopted.

The Chair recognizes the gentleman from Pennsylvania [Mr. McGLINCHY].

Mr. McGLINCHY. Mr. Chairman, I cannot let this opportunity go by without saying a few words in behalf of the Patman housing bill, H. R. 4761, and the returning veterans.

I feel that this bill should pass, and that it should carry the amendments which will benefit the returning veterans and the dependents of men now in the armed forces, as well as the low wage earners who are suffering because of the speculative real estate market. The real estate market is being inflated by unscrupulous real estate operators who see a chance to get rich quick by taking advantage of the returning veteran, who can borrow money under the GI bill of rights to make a down payment on either an old or new house. These real estate operators and builders know that if the materials are frozen and ceilings are put on the new houses that they will not be able to make as large a profit as they contemplate making if this bill is defeated.

The issue is clear as to where the Republicans and Democrats stand on this housing bill. Unfortunately, we have a bloc of southern Democrats who represent big business and the manufacturer and real estate speculators who are against the bill. The liberal Democrats from the North and the West and a few from the South have been fighting for the returning veterans and the working class of people of this country. I listened to our majority leader on the floor of the House the other day telling the Members that the greatest lobby in the country is now lobbying to defeat this bill so that they can definitely do one thing, and that is to rob the American people by bringing about inflation and eliminating

the OPA. These unscrupulous speculators have one thought in their minds, and that is to get rich quick, and as far as the future of the country is concerned they do not care whether or not we have a depression, or whether people are going to be robbed, or whether the returning veterans can be housed properly, or whether their wives and children suffer by being forced into these wooden shacks that are now being put up until the new houses are built.

Let us look into the facts and see just why we need this housing program and why it should be administered by an administrator who can control the important materials that are needed to build these houses. I call attention to the amendments that have been proposed by some of the Republican Members, along with the bloc from the South, to limit this program to 1 year. Any Member of this House, who understands building or knows anything about construction, knows that no builder or group of builders in 1 year's time can build the number of houses that need to be built, whether we have an open inflated market or whether it is controlled by an administrator who will see that the materials that are manufactured go into the purpose of this bill, low cost housing. It will take 3 or 4 months before the manufacturers can manufacture the materials, plus the labor shortage that we all know exists today, as far as construction workers are concerned. There is also the element of weather to be considered because when you have bad weather you cannot build houses, and regardless of whether he has one or a thousand homes to build, a builder has these obstacles to encounter as he goes along.

So, as I stated before, the issue is very clear. The Republicans and the reactionary bloc from the South are against the working class of people of this country. Big business contributes to the campaign funds of the Republican Party and to other reactionaries who go along with the wishes of big business.

Republican Congressmen are not even fair with their constituents among the middle class and the low-wage earners, many of whom have been Republicans all their lives and have voted for the candidates who represented the Republican Party. Not all low-wage earners are registered Democrats. There are thousands of low-wage earners and middle class and white-collar workers who are registered Republicans and have voted consistently for the Republican Party. These are the persons whom the Republican Members of Congress are voting against and not against the Democratic administration. I feel that the truth should be told to these people—that their party represents only one class of people and that is big business, and that their party is not for the working class because if it were then its members would vote for this housing bill and pass it with all the amendments that would benefit the majority of people of this country—the middle class, the white collar, and the working class—and I for one want to tell the people of this country the truth—

that the Republican National Committee is against anything that will benefit the working class of people.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

[Mr. CASE of South Dakota addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GAMBLE], a member of the committee.

Mr. GAMBLE. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by the gentleman from New York, Mr. GAMBLE, to the substitute offered by Mr. WOLCOTT: On page 10, line 16, after "A" strike out "\$7,200" and insert "\$8,100."

Mr. GAMBLE. Mr. Chairman, this amendment is the Barry amendment which the gentleman from New York offered to the Patman amendment amending section 603 (b) (2) of the National Housing Act prescribing the schedules of maximum mortgage amounts. This amendment strikes out the 7,200 mortgage limitation under which a single-family residence could be built at a price of \$8,000 and increases the amount of mortgage that could be obtained to \$8,100, allowing for the construction of a house costing \$9,000. This will enable the construction of homes in cities and metropolitan areas adjacent to cities where construction costs are higher than in other areas. Of course, if they can be built at a lower figure that will be done and there is nothing mandatory in the amendment, but on the present basis of construction costs you cannot be assured of an adequate supply of homes, which is the goal of this bill. The amendment was adopted by the committee when offered by the gentleman from New York and is in the Patman bill at the present time, and this same amendment is now offered to the Wolcott substitute. I hope it is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GAMBLE] to the substitute amendment.

The amendment was agreed to.

Mr. BUFFETT. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. BUFFETT to the substitute offered by Mr. WOLCOTT: Page 5, after line 12, insert the following new section:

"In order to achieve maximum production of materials suitable for use in the construction of housing accommodations the Director is authorized, and directed to issue a directive on policy to the Price Administrator requiring the Price Administrator to establish within 60 days after the date on which this title becomes effective a maximum price with respect to each such material: *Provided*, That no maximum price shall be established or maintained with respect to any such material which (1) is below a price which will reflect to producers, manufacturers, wholesalers, distributors, jobbers, and retailers dealing in such material a fair and reasonable profit per unit, based on current costs, or (2) will reduce or result in the reduction of the dollar-and-cents trade discounts or dollar-and-cents mark-ups with respect to such material below the dollar-and-cents dis-

count on dollar-and-cents mark-ups applicable on January 1, 1945."

Mr. BUFFETT. Mr. Chairman, I ask unanimous consent to change the word "Director" to "Expediter" where it appears in the amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Nebraska is recognized for 5 minutes in support of his amendment.

Mr. BUFFETT. Mr. Chairman, this amendment seeks to give the small businessman in the building materials industry a fair chance to survive. It provides that the same competitive relationships which existed in the building industry prior to and on January 1, 1945, will not be changed by cost-absorption edicts or other squeeze regulations issued by a governmental agency.

These competitive relationships were preserved during the war and Congress must now take this action to prevent bureaus from destroying, by regulation or directive various segments of the building materials industry—particularly in lumber.

The problem is illustrated by a letter from a GI in Indiana, which all of you probably received a few days ago. The following lines from this GI illustrate the situation perfectly:

Since my release I've talked with men in every phase of the lumber industry from logging to retail distribution, and today I'm convinced that Congress either isn't capable of, or else won't face current situations honestly and constructively. You are hiding behind bureaus which you created. You are attempting to disclaim your rightful responsibility for the actions, and performance of these bureaus. * * *

You have passed legislation "guaranteeing" every serviceman his former job will be available—this with much publicity, cooperative backslapping, and mutual admiration (among yourselves), but you legislated me out of a job I've had since 1935.

In 1935 I started out as a commission lumber salesman, saved some money, and in 1938 began wholesaling lumber. This was not a prosperity racket or war-profit business but founded on historical practices. Today the OPA rules that this business is not legitimate and I am not entitled to any remuneration for services performed.

This amendment should particularly appeal to the Members of the House who are interested in the preservation of small business. On February 25, the Select Committee on Small Business issued a report which began with this statement:

Position of small businesses endangered as postwar trend favoring big companies becomes apparent. Demand for bold and intelligent government action to aid small firms becomes imperative.

This amendment is essential if small business is to survive and a competitive enterprise system is to be maintained in the building materials industry.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

The question is on the amendment offered by the gentleman from Nebraska to the substitute.

The question was taken; and on a division (demanded by Mr. BUFFETT) there were—ayes 68, noes 52.

So the amendment to the substitute was agreed to.

Mr. RABIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RABIN to the Wolcott substitute: On page 4, line 16, insert the following:

"(5) To provide for the construction under contract, in those areas in which it is determined that an acute shortage of housing facilities exists, of individual and multi-family dwellings in such numbers as he deems appropriate, and as soon as practicable after any such dwelling shall have been completed it shall be sold on such terms and conditions as the Housing Expediter may determine. For the purpose of carrying out this subsection the Housing Expediter is authorized to enter into contracts and into amendments or modifications of contracts and to make, advance, progress, and other payments thereon, without regard to the provisions of law relating to the making, performance, amendment, or modification of contracts, except that nothing herein shall be construed to authorize the use of the cost-plus-a-percentage-of-cost system of contracting. The Housing Expediter is further authorized for the purpose of this subsection to acquire any property, real or personal, by purchase, condemnation, requisition, or otherwise, prior to approval of title by the Attorney General.

"Contracts and subcontracts made pursuant to this subsection shall be subject to the provisions of the Renegotiation Act to the same extent as if (A) the contracting agency were embraced within the definition of "Department" under that act, (B) such act were applicable to amounts received or accrued in fiscal years ending after December 31, 1945, and (C) subsection (1) (1) (E) (exempting construction contracts) were not applicable; and for this purpose the contracting agency, or such other agency of the Government as the President may designate, shall have the powers and duties which the War Contracts Price Adjustment Board had under such act on July 1, 1945.

"The Housing Expediter is authorized to operate, manage, and lease any housing constructed under this act, pending its sale.

"There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection."

Mr. WOLCOTT. Mr. Chairman, I make a point of order against the amendment on the ground it is not germane to the section offered. As I understood the reading of the amendment it goes ever so much further than the purview of the section in the grant of authority to the expediter to condemn and hold land. The amendment is wholly outside of the provisions of the title and the section he seeks to amend, and therefore is not germane.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. RABIN. Yes, Mr. Chairman, I should like to be heard.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. RABIN. Mr. Chairman, the purpose of this bill is to amend the National Housing Act by providing for a housing expediter and giving him certain powers. In short, those powers are designed to relieve the housing shortage.

Under section 701 of the bill there is expressly set forth the powers and duties of the Housing Expediter. My amendment simply adds to those powers and duties, having in mind the same purpose,

to relieve the housing shortage. I think it is absolutely germane to the section.

The CHAIRMAN (Mr. COOPER). The Chair has briefly but sufficiently considered the amendment offered by the gentleman from New York against which the gentleman from Michigan has made the point of order. The Chair is of the opinion that the amendment offered by the gentleman from New York comes within the scope and purview of the substitute offered by the gentleman from Michigan.

The point of order, therefore, is overruled.

Mr. RABIN. Mr. Chairman, when we were at war we did not tell the President how to provide the materials of war. We simply told him to provide them and gave him full power to provide the materials. That is what this amendment seeks to do. It gives the Housing Expediter full power to provide houses.

In short, it directs the Housing Expediter: First, to commence the construction of housing facilities in any part of this country that he may deem necessary and essential for the public welfare; second, to requisition such material wherever it may be for the purpose of carrying out that program; third, to condemn and acquire such land as may be necessary for that program; fourth, to let contracts to private industry, subject to renegotiation, on any basis he may deem most expeditious for the purpose of this construction, and fifth, upon completion of those houses to sell them so that the Government will not be in the real-estate business.

This amendment gives instructions to the Expediter to build. That is what we are trying to do. We are trying to build ourselves out of this shortage. It gives him full power to do that with due regard to private industry.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from New York [Mr. RABIN] to the substitute.

The question was taken; and on a division (demanded by Mr. RABIN), there were—ayes 34, noes 71.

So the amendment to the substitute was rejected.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio to the substitute offered by Mr. WOLCOTT: Strike out the language of the Wolcott substitute as amended and insert in lieu thereof the following:

"That it is the purpose of this act to encourage the construction of housing accommodations by conferring upon the Director of War Mobilization and Reconversion (hereinafter referred to as the 'Director') the function and responsibility of preventing maximum prices being established or maintained in respect of building materials which result, or are likely to result, in discouraging the production, manufacture, or processing of building materials to be used in the building of homes. No duty or function imposed or conferred upon the Director by this act may be transferred under the First War Powers Act, 1941, or otherwise to any other officer or agency of the United States.

"SEC. 2. Whenever any maximum price is established or maintained in respect of any

building material used in the building of homes at a price which discourages the production, manufacture, or processing of such material the Director is authorized and directed to issue an order directed to the Office of Price Administration and to the Price Administrator requiring the maximum price to be raised so that it will no longer discourage the production, manufacture, or processing of such material. In issuing any such order the Director shall take into consideration the need of granting wage or salary increases for the purpose of permitting free production, manufacture, or processing of such building material.

"SEC. 3. No subsidy payments may be made to any producer, manufacturer, or processor of any building material used for building homes for the purpose of encouraging the production, manufacture, or processing of such material or of making it possible to establish or maintain a maximum price in respect of such material lower than the maximum price that would be established or maintained without any subsidy payments being made.

"SEC. 4. As used in this act the term 'building material' means any material suitable for use in the construction of homes and housing accommodations."

Amend the title of H. R. 4761 to read as follows: "A bill to encourage the production, manufacture, and processing of building materials by prohibiting maximum prices which discourage such production, manufacture, and processing, and for other purposes."

Mr. SMITH of Ohio. Mr. Chairman, my amendment is simple and goes straight to the root of housing-material shortages. It does not eliminate price control. It does, however, authorize and direct the OPA and any other Government agency which has to do with regulating prices or wages to raise ceilings on such prices and wages in every case where this is necessary to increase production of housing materials. The work of the Director would be confined exclusively to this single function. It would be his sole business to find out where material shortages are caused by too low ceiling prices or wages and to see to it that these are adjusted upward sufficiently to provide relief. This is the one and only way to meet the housing shortage. There can be no other way.

Both the Patman bill and Wolcott substitute propose to cure the affliction by setting up more Government machinery. My amendment entirely avoids doing this. It utilizes machinery already in existence. It makes the Director of War Mobilization responsible for carrying out the objectives of the act.

Too much Government machinery is largely responsible for housing-material shortages, too many OPA rules, regulations, restrictions, red tape, and so forth. Both the Patman bill and Wolcott substitute would only make matters worse. Instead of building more houses, they would cause fewer to be built.

We ought to be realistic. I repeat, there is no other way to increase the building of homes than to permit wages and prices of materials to rise sufficiently to allow the fullest production. Inflation is upon us. The Congress is helpless and the Government is helpless. It is foolish for the Director of OPA, Mr. Bowles, to say that the price line is being held except for a bulge, which he says developed as a result of the President's new wage policy. The fact is that the

whole price line is rapidly deteriorating. This is manifested by the yielding all along the wage line to the almost universal pressure against it by the ever-growing demands of wage earners and others for pay increases.

The economic reason for these demands is the depreciation or loss of purchasing power which is taking place in our money. This continuous loss of purchasing power primarily goes back to Government printing-press issues. These issues are in existence to the tune of considerably more than \$200,000,000,000. It is against this mountain of Government printing-press money that Congress is at this moment attempting to legislate and which OPA is trying to control. We cannot legislate against it and OPA cannot control it.

The powerful struggle which wage earners are now making to increase their pay rates is in large measure an expression of their determination to overcome the daily loss of purchasing power the dollar is sustaining. As a result of the depreciation of the value of the dollar the working people now find themselves in the most precarious condition they have ever experienced.

Now the point I wish to make is that the policy adopted by the Government of permitting wages to rise while at the same time maintaining low prices of commodities is self-defeating. Artificially produced high wages are wholly incompatible with artificially produced low prices. This should be so self-evident as to require no mentioning. When one buys a pair of shoes, or an automobile, or a steam shovel, one buys the efforts that have gone into the production of those commodities. The price of a hat, or an automobile, or a steam shovel is the sum of the wages paid for its production plus a profit. Nearly all the profit under a competitive system finds its way into capital formation. There it produces job opportunities and so inures to the benefit of wage earners and the community as a whole.

Now the gist of my amendment postulates a policy of permitting prices on commodities to rise *pari passu* with wages. That is, it would simply equalize wages in general with the sum of wages making up the price of commodities. I contend that this is the only policy we can adopt which contains any soundness. It is the one and only policy which can be adopted that will give the working people the greatest protection and provide the largest number of homes for veterans and other people that is possible under existing conditions.

The amendment which I offer should be adopted.

If we must have a housing dictator, or any other kind of dictator, let us have one who will dictate the Nation on the high road toward production and free enterprise and not down the gutter toward scarcity and totalitarianism.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH] to the substitute.

The amendment was rejected.

Mr. CURTIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS to the Wolcott substitute: On page 4, line 16, change the period to a semicolon and add "(5) Approve the price ceilings on lumber and other building materials, and any price ceiling heretofore or hereafter established by any other agency on lumber and other building materials shall be effective until the same is approved in writing by the Housing Expediter."

Mr. CURTIS. Mr. Chairman, the purpose of this amendment is to fix the responsibility for ceiling prices on lumber and other building materials on the same man who is charged with getting the job done of providing houses. We have done something similar to this in reference to food, requiring the approval of the Secretary of Agriculture to price ceilings. My amendment would provide that this housing expediter must approve the price ceilings that go on lumber and other building materials. It will put an end to divided authority. On page 4, line 22, the Housing Expediter is given some power along this line in connection with the Office of Mobilization and Reconversion, but that is usually weeks and months after trouble arises because of an erroneous ceiling. This will fix the responsibility and I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. CURTIS] to the substitute.

The amendment was agreed to.

Mr. ELLSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH to the Wolcott substitute: Page 6, line 6 of the Wolcott amendment, strike out lines 6, 7, and 8.

Mr. ELLSWORTH. Mr. Chairman, the purpose of this amendment is to remove subsection (c) on page 6 which would give the Expediter complete power to forbid the export of lumber and other building materials. Such power should not be given a housing expediter of this kind, because that power transcends and crosses the line of other agreements and responsibilities had by this Government. These other matters are in the hands of the State Department, the Department of Commerce, and the Civilian Production Administration, and there are a great many things involved in addition to merely shipping lumber.

As a matter of fact, very little housing lumber would be gained in this country by the export-ban provision in this bill for the simple reason that we are importing some two and a half times as much lumber now as we are exporting, and of the exported lumber three-fourths of it goes to the British Empire. Approximately 90 percent of our lumber imports come from the British Empire, therefore we would not gain, since the British Empire would obviously take from its own resources to replace what we cut off from them. We would gain nothing in the world by enacting this provision, and this power should not be vested in the hands of any one single bureaucrat. I have no doubt that lumber exporting will be cur-

tailed, but it should not be done in this manner.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. ELLSWORTH] to the substitute.

The amendment was rejected.

Mr. GAMBLE. Mr. Chairman, I offer an amendment to the substitute.

The Clerk read as follows:

Amendment offered by Mr. GAMBLE to the Wolcott substitute: On page 5, line 15, after "construction", insert "and for completion."

Mr. GAMBLE. Mr. Chairman, this is a very simple amendment. There are thousands of houses now being constructed under the FHA program. It may be possible that they will not have some of the materials that they need for the completion of those houses. Many builders are very much worried as to the possibility of their not being able to get sufficient materials to complete the construction of these houses if this bill should become a law. I am sure Mr. Wyatt will want all these houses completed as rapidly as possible as a part of his building program. This amendment simply gives the Expediter the added right to allocate materials not only for the construction of housing accommodations but for the completion of housing accommodations now being constructed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York to the substitute.

The amendment to the substitute was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, this substitute is going under the guise of a "housing bill." I remind the members of the committee that they give members of the armed forces examinations of the eyes before they go into the service, and they also educate them in camouflage. These veterans will recognize this substitute for what it is.

By no stretch of the imagination can the substitute be declared to be an effective housing bill to solve the housing emergency that we face.

It only provides in its first part that the Director shall have the powers he has today under existing Executive order.

In the second part, it enacts title VI of the FHA, which has already been enacted here in the Patman bill.

One thing further: You put in the Buffett amendment, which is the old favorite stand-by of the wreckers of the inflation control and the OPA. The per-unit full-profit price item, that has always been here before us when the enemies of price control appear and has been consistently voted down. In your haste to get this substitute through you have provided that every manufacturer, some who may manufacture a thousand items of construction material must be guaranteed a profit on every single item that he makes, regardless of his over-all profit that he may have on the 999 others. It is a price-elevating device if I ever saw one to further raise the already high

price that a veteran would have to pay for his home.

Further, if the building supply people can destroy price control with this Buffett amendment now, all of the other producers of every other type of civilian commodity will be in here asking for the same price-raising device for themselves. I was astounded to see this amendment voted by my Republican friends.

Mr. LE FEVRE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LE FEVRE. Mr. Chairman, our colleague, the gentleman from Michigan, [Mr. LESINSKI], exhibited some lumber invoices yesterday showing the absurdity of present billing methods for lumber, billed to the retail dealers. This system of invoicing is so complicated that practically every retail dealer is liable for prosecution, based on price violation if he omits any of the details required. I cannot urge too strongly that OPA immediately simplify the bewildering maze of maximum price regulations, and return to the former methods of billing and intelligent enforcement by officials who understand the practices of the industry.

We have spent over 4 days on the Patman bill and have not accomplished a thing to help the veterans get homes. We have had Mr. Bowles' statements over and over, but the truth is, OPA has not been realistic. It has failed for over 6 months in channeling house building lumber through the proper channels and it would appear that Mr. Bowles has had cause and effect sadly confused. Black market practices are a simple indication that we have inflation right now. We have contracted this disease as a result of misconduct and violation of all the laws of economics during the past several years. Shall we take more sedative pills in the form of more regulations to dull the pain of increased prices—have increased black market prices—no goods to purchase—no jobs for workers—or get to the bottom of this sickness—which is production?

I have never seen such twisted reasoning and such distortion of facts as are coming out of high places in Washington today. To say that OPA policies are not discouraging the production of lumber, is simply absurd. Evidence from all corners is received proving that this is fallacious. Reports from all regions state that mills are closing down because of the inadequacy of ceiling prices. Mr. BUFFETT's amendment to the Wolcott substitute should allow the necessary increases to the mills to get production and have these increases passed along in dollars and cents to the ultimate consumer. The public has been kidded long enough through the black market. Retail dealers can't keep on absorbing all increases and why should there be discrimination against the retailer in favor of the manufacturer? There are 23,000 retail lumber dealers and I am proud to be one of them. This is a non-partisan problem. Normally we furnish the building materials for 75 percent of the individual

homes constructed in the United States. We stand ready to help the veterans in every possible way. Give us the lumber and with our local skilled building laborers, we will go far toward satisfying the present veterans' demands with homes worthy of the name.

Mr. Wyatt speaks of prefabricated houses. In the course of time, I have no doubt that under mass-production methods, prefabricated houses will be produced at reasonable prices, especially if a market is provided ready-made by the Government. But prefabricators cannot build houses without materials. From a practical standpoint, creating a new huge industry requires much planning and much organization. Private individuals will get into this business under our private enterprise system without Government subsidies, and why should lumber be channeled to prefabricators and deny these building materials to the people who will build houses right now? Small builders do not build so many houses individually but in the aggregate they have supplied the bulk of them in the past. With materials they will produce houses right now other than at some time in the indefinite future.

First let us remove the obstacles that are blocking the production of materials.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, after a somewhat prolonged absence from the floor I have sought all day to project myself into this argument with a few ideas, but I find it impossible to do so because of the time limitation of one minute and a quarter. However, may I ask the chairman of this committee one question, and if he cannot answer, perhaps the distinguished gentleman from Texas can.

Is there anything in the Patman bill, the committee bill, which authorizes the expediter to change the price ceilings on material going into construction and to direct the OPA to change price ceilings on construction materials?

Mr. SPENCE. In my opinion, there is no doubt that he has that authority.

Mr. KEEFE. Will the gentleman point out in the bill the language from which he concludes that the expediter has that authority? That is a very important matter, it seems to me, for the consideration of the Members of the House. There should be no question about it if this bill is going to pass.

Mr. SPENCE. He has the authority with reference to all the agencies exercising the powers incident to carrying out his duties. He has the authority under this bill to direct the OPA to place ceilings on building materials that will conform to his directives.

Mr. KEEFE. I am glad to get that interpretation of the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD of Montana. Mr. Chairman, I offer a perfecting amendment to the Patman bill.

The Clerk read as follows:

Amendment offered by Mr. MANSFIELD of Montana to the Patman bill: On page 12, line 2, insert the following new section:

"SEC. 706. The Director shall allocate and shall establish priorities for delivery of materials and facilities suitable for the construction of housing accommodations in such manner, upon such conditions, and to such extent, as he deems necessary in order that, of the aggregate supply of such materials and facilities, 50 percent thereof will be used for the construction of homes selling for \$5,000 or less; 25 percent thereof will be used for the construction of housing accommodations selling for more than \$5,000, but not less than \$8,000; and 25 percent thereof will be available for other purposes."

Mr. MANSFIELD of Montana. Mr. Chairman, in the amendment just read by the Clerk, the word "Director" should be changed to "Expediter," and the words "not less than \$8,000" should be changed to "but not more than \$8,000." I ask unanimous consent that the amendment may be corrected accordingly.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MANSFIELD of Montana. Mr. Chairman, my purpose in offering this amendment is to give the House a chance to vote for reasonable allocations of building materials for low-cost housing. When we speak of \$8,000 to \$10,000 housing, we are talking about a price that is far beyond the ken of the average family and the average GI. I feel we should be realistic in our debate on housing and instead of talking about how much we love the veteran, let us prove to him that we mean what we say. A vote for this most important amendment will be a vote for the people who ought to be helped most.

The amendment is self-explanatory and certainly merits the approval of this Congress. The people of the county are expecting action from us and we must not shirk our responsibility. Ordinarily I would not favor the granting of such extraordinary powers as this bill permits nor am I an advocate of Government regulation but the times call for action on a large scale and now. An emergency exists in housing, as we all know, and extraordinary efforts must be made to break the bottlenecks in this field so that production can get rolling and the crisis overcome.

(Mr. MANSFIELD of Montana asked and was given permission to revise and extend his remarks.)

Mr. PATMAN. Mr. Chairman, I ask for recognition in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized.

Mr. PATMAN. Mr. Chairman, this amendment in effect will put the Expediter in a strait-jacket. It has some merit, I know, for low-price homes, but I think we should leave it up to the Expediter to say in certain geographic areas a certain price home. If you begin to allocate these materials by saying a certain percentage shall go to a certain price home and a certain percentage shall go into another price home, I am afraid it will interfere with the administration of the act.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. In some areas you could build a house for half

the price you could build one in other areas.

Mr. PATMAN. Yes. I think that generally it would cause confusion. I know the able gentleman from Montana [Mr. MANSFIELD] is very sincere and honest in his efforts, but I hope the amendment is not adopted, because I fear it will be harmful to the Expediter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. MANSFIELD].

The question was taken; and on a division (demanded by Mr. MANSFIELD of Montana) there were—ayes 22, noes 61.

So the amendment was rejected.

The CHAIRMAN. The gentleman from California is recognized for 1¼ minutes.

Mr. HINSHAW. Mr. Chairman, if I understood the distinguished gentleman from Georgia [Mr. BROWN] a few moments ago, he said that with one or two exceptions there was very little difference in effect between the Wolcott substitute and the committee bill. Is that correct?

Mr. BROWN of Georgia. That is correct.

Mr. HINSHAW. All I have to say is that the language of the Wolcott bill is probably better than the language of the committee bill. There is one section I want to see stricken from the Patman committee bill, and that is the snooping provision contained in section 703. That section should be stricken from the bill, as it would make any man a criminal who refused to permit a Government housing agent to enter and inspect his home. That provision, in my judgment, would be in clear violation of article IV of the Bill of Rights.

I hope and trust that when this bill is passed and I can vote for it under those circumstances, that the President, or whoever will have the power to turn over the operation of this law, will give the FHA a great deal of this responsibility, as was declared the other day by the gentleman from Texas [Mr. PATMAN] was intended. If that is done and a new superbureau is not set up to further complicate things and add new barrels of red tape, I think we may now have a program that will produce more housing. That is my object in this program. Let us understand once and for all that every Member of this House wants to help to really produce houses, and produce them in quantity, particularly for the veterans of this war.

In the course of this long debate I have done my best to help straighten the thinking of the House on the subject of housing. Anyone who has had experience along those lines must agree that to tie the hands of the builders will not produce housing. I am not for setting them free to charge the fancy profits which a dire shortage would make possible, nor am I in favor of regulations that would make it impossible for them to build.

Mr. Chairman, the objective of a housing bill must be to really produce housing. Title VI of the FHA has now been added to the amended Patman bill and it is a part of the Wolcott substitute. That is the law under which many thou-

sands of new homes were built and sold, or rented to war workers who were moved into the war-production centers. Title VI of the FHA, as it was added to this bill will aid in the wholesale construction of at least a half million homes and housing units. I voted for it as an amendment to the Patman bill and will vote for it as a part of the Wolcott substitute. With that amendment we are getting somewhere.

The CHAIRMAN. The gentleman from Wisconsin [Mr. BIEMILLER] is recognized.

(Mr. BIEMILLER asked and was given permission to revise and extend his remarks.)

Mr. BIEMILLER. Mr. Chairman, for five long days it has been obvious on the floor of this House that the Members of the Republican Party, down to the last man, have not been interested in protecting the veterans against increased prices for housing. Nor have they been interested in any attempt to get the marginal producers into action so that more houses could be built. They have been interested in just one thing. They have been interested in increasing profits for existing producers and contractors and for the speculators. The final proof of that is the substitute for which they are now asking us to vote. The substitute is nothing but a pious fraud, a stump speech, if you will.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I will not yield. I have but a minute and a quarter.

The substitute merely writes into law the Executive order under which the Housing Expediter is now functioning and which everyone admits is not strong enough to implement the Wyatt housing program. The substitute also contains amendments to title VI of the Housing Act, but these same amendments are now part of the Patman bill. Just a few minutes ago when the committee adopted the amendment of the gentleman from Nebraska you added to the substitute a provision to guarantee to every producer a profit on each item he produced. There is more evidence of the spirit that has motivated the Republican Party in this debate.

This substitute will not strengthen any existing housing legislation, it will not bring any marginal producer into the market, it will not protect any veteran against inflated values. It will give greater profits to the producer and contractor, it will permit speculation to continue not only on existing homes, but also on new houses. I am confident the veterans will know who fought against their interests on this floor.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BIEMILLER. I refuse to yield. I make the charge and the record will substantiate it, that the entire interest of the minority party as shown by the debate of the past 5 days has been to establish a good profit measure for the contractors and the speculators. They cannot bail themselves out by offering a substitute that has no substance. I trust it will be defeated.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I was on my feet demanding that the words be taken down. The Chair refused to recognize me.

The CHAIRMAN. The Chair did not hear the gentleman.

The gentleman from Kentucky [Mr. ROBSION] is recognized for a minute and a quarter.

Mr. ROBSION of Kentucky. Mr. Chairman, I doubt if any Member on either side of the aisle appreciated or approved the intemperate remarks of the gentleman from Wisconsin [Mr. BIEMILLER] in asserting that Republicans were not interested in the veterans. I wish I had the time to pay my respects fully to him. There are Members on the Republican side who had one or more sons and daughters in the service, and more than one of them whose sons give their lives in defense of our country, yet the gentleman from Wisconsin [Mr. BIEMILLER] said that the Republicans are not interested in the veterans. I must denounce his statement as without foundation in fact. We know that the gentleman from Wisconsin [Mr. BIEMILLER] had no son or daughter in the service. He was not in the war.

Mr. HILL. He will not be in the next war either.

Mr. ROBSION of Kentucky. And I wonder if he will be in the next war.

Mr. HILL. No.

Mr. ROBSION of Kentucky. I wish to say that neither he nor any other Member of this House has a monopoly on patriotism or interest in the defenders of this country and their dependents.

The gentleman from Wisconsin [Mr. BIEMILLER] has urged the Patman bill. Mr. Patman's committee did not favor his bill, and an overwhelming majority of the House is opposed to the Patman bill. I have received many letters and telegrams from my district expressing strong opposition to the Patman bill and not one letter or telegram or other communication favoring the Patman bill. I have been against the Patman bill, so have a big majority of the House. Those of us who are sincerely interested in the veterans desire to vote for the bill which in our opinion will bring the greatest relief to the veterans and their families in furnishing them homes.

In my opinion, the Wolcott substitute, H. R. 5579, will come more nearly providing homes for our veterans than the Patman bill or any other bill that has been offered. It calls into action all the agencies of the Government that have to do with the procurement and allotment of materials and the construction of houses. These include the Federal Housing Administration and other agencies of the Government engaged in construction and gives the Expediter of the housing program authority over the OPA Administrator. It gives to the Expediter full authority, and this substitute bill provides that the Expediter must fix such prices as are fair and reasonable to producers of building materials and equipment as will enable these producers to make a fair profit, but not any excess profit, and so that these producers will

be stimulated and can and will continue in business. Because of the low prices fixed by the OPA at the present time it is shown that literally thousands of producers of building materials and equipment have been forced out of business and production has been cut to the lowest it has been in many years.

This substitute, H. R. 5579, also gives veterans, as well as builders, priority on building materials necessary for the construction of these houses for veterans, and it gives them priority on the houses constructed. The substitute also increases the lending authority in power of the Federal Housing Administration to \$3,800,000,000 if necessary, and gives these veterans preference in using the facilities of this Housing Administration to finance the purchase of houses and equipment. The Federal Housing Administration can guarantee their loans up to 90 percent of the loan. This will fit into the \$4,000 loan that the veteran has under the GI bill of rights. The Patman bill did not have this FHA loan provision in it, and would likely have destroyed the loan rights of the veterans in the GI bill of rights. There are many other provisions in this substitute that appeal to me very much, and on the whole I think it is a much better bill than anything that has been offered. This substitute bill provides for the use of other agencies, officers, and employees of the Government in carrying out this building program for the veterans, and it would cost much less than the original Patman bill, or as amended. Under the Patman bill there could be built up another powerful bureaucracy. In fact, under that bill I am afraid there would be more attention to building up this great bureaucracy than in building housing or encouraging and stimulating production of housing facilities and equipment, and with much greater cost to the taxpayers and to the purchasers of these homes, and they would slow up production as they have on meat, sugar, butter, other food commodities, articles of clothing, and equipment.

We are very anxious for these veterans to get a home within their ability to pay. My son has just returned from the Army and in discussing the matter with him the other day I counseled against an investment in real estate at this time. Prices are too high. This is a seller's market and not a buyer's market. We would be rendering a disservice to the veterans to provide him with a home at a price that would greatly depreciate perhaps within the next year or two and he would have to take a considerable loss. This program will cost the Government considerable money; therefore, we want the veterans to be benefited and not hurt.

PREFABRICATED HOUSES

There has been much said about houses costing \$7,000, \$8,000, and \$9,000. Let us bear in mind that only a few of our veterans could handle the obligations imposed by homes of that price.

In various parts of the country we have building materials of various kinds, clay for brick, stone, lumber, prefabricated building materials from lumber and other articles. At Middlesboro, Ky., in my congressional district, some enter-

prising citizens have established Cumberland Homes, Inc. A number of the leading businessmen in that section are officers and stockholders in this enterprise. They are prepared to make prefabricated materials from the timber of all kinds which is found in abundance in that section and many States of the Union. They can construct a beautiful cottage, consisting of two bedrooms, one living room, kitchen, bath, and porch. The outside dimensions of the house proper are 24 by 28 feet. This does not include the porch. The kitchen is equipped with a beautiful sink and cabinets for dishes, and so forth. This cottage, with all utilities fixtures complete, a turn-key job, with paint and ready for occupancy for a price ranging from \$3,000 to \$3,500. Lots can be obtained at a price ranging from \$250 to \$500 with ample yard and lawn space and garden. It can be seen that the veteran can have a beautiful cottage of this kind with everything complete at a price ranging from \$3,250 to \$4,000. They can and will construct from 3,000 to 4,000 of these homes in a year. In appearance, comfort, and durability, they average above the average cottage of that size.

Of course, other companies and individuals can set up like establishments in various communities and in the various counties and States. Of course, these and other producers of houses will have to have electrical equipment, bath tubs, and so forth. This program will be a success if the officials will largely confine themselves to stimulating production of house materials and equipment and allocating materials and equipment to contractors, builders, and to the veterans themselves and especially those who have been and are engaged in the construction of houses, or who are carpenters and mechanics. Private enterprise built 28,000,000 homes in this country and they can and will meet the housing shortage for the veterans and the American people if the blighting hand of bureaucracy here in Washington does not strangle the activities of private enterprise. Private enterprise and American workers provided the equipment and materials of every kind and character for our veterans to fight and win the greatest war in all history, and private enterprise, with American workers, can fight and win this housing shortage. I believe that the Wolcott substitute gives the greatest promise of encouragement to private enterprise and the American workers to do this job for the veterans, and I shall vote for the substitute.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(Mr. ROBSION of Kentucky asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Michigan [Mr. MICHENER] is recognized for a minute and a quarter.

[Mr. MICHENER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. MICHENER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Illinois [Mr. DIRKSEN] is recognized for a minute and a quarter.

[Mr. DIRKSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, we have about come to the end of the consideration of this bill and it seems to me that the argument made by the distinguished gentleman from Georgia [Mr. Brown] against the adoption of the Wolcott amendment is a very sound and powerful one. It also seems to me that his argument against recommitment of the bill is very sound and powerful. If the bill is recommitted, we know that for all practical purposes the possibility of legislation for some time to come is very remote.

The Committee on Banking and Currency is exceedingly busy, and while many of us are not satisfied with the committee bill in its present form, it is a much better one than the substitute offered by the gentleman from Michigan [Mr. Wolcott]. I, therefore, hope the substitute will be defeated and that the bill in its present form will pass, go to the other body, receive consideration over there in the hope it will be strengthened and that in conference a stronger bill will come out.

The amendment offered by the gentleman from Michigan [Mr. Wolcott] is not the original one offered by him. The Buffett amendment has been agreed to and it is inflationary. The gentleman from Oklahoma in his able argument brought out that fact.

I hope the substitute amendment will be defeated and that recommitment will be defeated, so that we may send the bill to the other branch for action over there.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The Chair recognizes the gentleman from Kentucky [Mr. SPENCE] to close debate.

Mr. SPENCE. Mr. Chairman, I appreciate this kind of consideration of the substitute. The President has asked for a bill that he thinks is necessary in carrying out his program for housing. The minority has offered a substitute and I do not think anyone here knows what is in the substitute after its many amendments. The President has asked for bread and the minority has given him a stone. The President has asked for fish. The minority has given him a serpent.

I hope you will observe the vote that will take place upon the Wolcott substitute in a few minutes. All of the gentlemen on the other side of the aisle will vote for it, although I am sure they have given it no careful consideration and most of them do not know what it contains after its many amendments on the floor. I hope that the Democrats will stand by their administration and see that a Republican measure is not given to a Democratic President to achieve this most worthy objective.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Chairman, I believe it is well to call the law to the attention of the administration lobbyists.

Title 18, section 201, United States Code, makes it a criminal offense, punishable by fine and imprisonment for any official or employee of the Government to use appropriated funds in lobbying for the passage of any bill, or for an appropriation. The statute also provides for the summary removal from office of those offending.

Over the week end, Porter and the other so-called hatchet men of the administration sent telegrams to all majority Members of Congress demanding their support of, and the passage of, the Patman bill. They have also resorted to the radio and the press.

Mr. Chairman, the public can hope for little in results from the New Deal management of housing.

FEDERAL HOUSING

Before the pending bill is passed, it is appropriate to give some thought to what the Federal Government's various housing activities have cost to date.

The staggering sum of \$12,552,973,000 in expenditures and incurred contingent liabilities to June 30, 1944, represented this Government's investment in its multitude of public-housing activities—see House hearings, 1946 Independent Offices bill, page 726.

Whether that huge sum includes the ventures of Messrs. Tugwell and Ickes into the field of public housing is not clear from data furnished by the United States Housing Authority and other agencies.

A copyrighted booklet published in 1944 by the CIO summed up the Government's housing program, under the heading "Comedy of Errors," in these words:

The entire process boils down to this: We are attempting to house the very lowest income groups on the most expensive land by using the most expensive type of construction.

A questionnaire completed and filed with the Byrd joint economy committee in early 1942 by the Farm Security Administration shows that Tugwell's Resettlement Administration ventured into the public housing field at a cost of \$58,537,666.74 to the taxpayers for the construction of 5,019 family dwelling units, an average cost of \$11,633 per unit. To the same date, the notorious Greenbelt project of the Tugwell agency, located in nearby Maryland close to the Nation's capital, stood the taxpayers \$13,701,817.17 for 890 family dwelling units, or more than \$15,000 a unit.

The ill-starred venture of Ickes' Public Works Administration into the public-housing field, according to an official report by that gentleman entitled "America Builds," cost the taxpayers \$136,669,-

759 to November 1, 1937, when those projects were transferred to the United States Housing Authority pursuant to the act of September 1, 1937. Ickes' undertaking was, at the beginning, called low-cost housing; but, when it was very quickly determined that the cost was anything but low, the name was changed to low-rent housing. The PWA housing effort proved a colossal flop, the projects having dismally failed to produce returns for their self-liquidation, as ordained by Congress.

While the Ickes' projects were transferred to United States Housing Authority, a permanent corporation created by the act of September 1, 1937, for operation and disposition, it has recently come to light in hearings before the House Appropriations Committee that one or more of those projects is being managed and controlled by the National Capital Housing Authority, the transfer to that agency having been effected without directions from Congress.

The act of September 1, 1937—Fiftieth Statutes, 888—designed to clear slum areas and to produce in their stead and on their sites habitable low-rent housing, was, as stated, created as a permanent body corporate under the name United States Housing Authority. On its face that Administration measure is a cross or hybrid between a permanent relief agency to operate in depressions and recessions, and one for the clearance of slums. By that act, Congress provided that USHA should make loans to local housing authorities in State and local governments up to 90 percent of the face value of their notes, bonds, and evidences of indebtedness, with interest to the USHA at the going Government rate, plus one-half of 1 percent. The act provided in the clearest of language that the loans should clear slum areas.

The same act further empowered the USHA to pay subsidies on its projects over a period of 60 years and in such amounts as would bring rentals within the reach and ability of the persons removed from the cleared slum areas. When that measure was under debate in the Senate, Senator TYDINGS, of Maryland, predicted, in substance, that the subsidy provision would break the Federal Treasury.

Congressional committee hearings have several times disclosed that, instead of making loans on interest at the going Government rate plus one-half of 1 percent, as required by the act of September 1, 1937, the USHA officials persuaded the State and local housing authorities to, and they did, issue and sell their short-term notes to the persons and concerns bidding for them at the lowest rates of interest. The USHA then unconditionally guaranteed to, and did, pay those short-term notes, principal and interest, when they matured; and it was with their proceeds that the land acquisition and construction of the housing projects were financed. The Federal Government received no interest whatever on its funds during the construction periods of the projects, as plainly required by the law. Officials of the USHA tried to explain to committees of Congress that the use of the short-term notes saved money; but the only

benefit accrued to the States and their local housing authorities, while the Federal Government lost the interest that should have been received by it. And, strange as it may seem, the act of September 1, 1937, empowers the United States Housing Authority, in connection with its subsidization of rents, to cover, in the subsidies, the interest which State and local housing authorities obligate themselves to pay on their permanent financing.

Further, it is said on good authority that the United States Housing Authority permitted State and local housing authorities to create and maintain costly management organizations long in advance of the completion and occupancy of the projects; and that those same expensive management organizations and their cost make project management and operation greatly in excess of charges which would be made by commercial rental agencies, which would gladly handle the projects, collect rents, and oversee repairs for the usual commercial rental charge.

In a book entitled "The Seven Myths of Housing," copyrighted in 1944, the author, Nathan Straus, describes himself as "Formerly Administrator of the United States Housing Authority, member of the New York City Housing Authority, president of the Hillside Housing Corp., and member of the New York State Senate." In that book Mr. Straus blandly admits that under his stewardship the USHA departed from, circumvented, and ignored the plain injunction of the Congress that its projects should clear slum areas and be constructed on cleared slum sites. He attempts to justify that departure from the plain language of the law.

Mr. Straus' book is profusely illustrated with pictures of several USHA housing projects, accompanied with legends purporting to show low dwelling unit costs. In each instance, however, the unit costs given by Mr. Straus are far less than costs reported on the same projects to the House Committee on Appropriations in hearings on the 1943 independent offices bill, as follows:

Project	Dwelling unit costs given by Mr. Straus	Dwelling unit costs given by USHA to House committee
Pennington Courts, Newark, N. J.	\$3,223	\$5,022
Santa Rita, Austin, Tex.	2,625	3,420
Brentwood Park, Jacksonville, Fla.	2,353	4,299

In the hearings before the House Appropriations Committee on the 1943 Independent Offices bill is a table furnished by the United States Housing Authority showing that, to November 30, 1941, 103,602 dwelling units had been completed with USHA funds throughout the country at a cost of \$441,789,730, or a country-wide average of \$4,264 per dwelling unit. That table also reflects an average dwelling unit cost of \$210 for services of architects and engineers, though, it is said, standardized plans were used. In early 1942, representatives of the USHA told the Byrd committee they

thought it proper that the architects and engineers of the country should benefit by the USHA program.

The House Appropriations hearings on the 1943 Independent Offices bill also show that, just as the CIO has stated, exorbitant prices were paid for housing sites. A table in those hearings furnished by the USHA reflects the purchase of 8,604.26 acres of land at a total cost of \$65,137,387.93, or an average of about \$7,582 per acre for the entire country—see table, page 649, hearings before House Appropriations Committee, 1943, Independent Offices bill.

There is, then, confirmation by the USHA itself, of the statement by the CIO that our Federal housing program has been a comedy of errors, and that we are attempting to house the very lowest income groups on the most expensive land and in the most costly construction.

Since Mr. Straus' book reveals that he is president of the Hillside Housing Corp., it should be borne in mind that his corporation's housing activities were financed with Ickes' PWA funds as a limited-dividend undertaking. In speaking of that type of financing, Mr. Ickes, in his official report, *America Builds*, had this to say:

The sponsors (limited dividend housing corporations) were to put up at least 15 percent of the necessary capital and limit their profits to 6 percent on their own investment. Results of this policy were not impressive. Their rents were above the economic reach of slum families, and without exception the projects were erected on vacant land, thereby clearing no slums.

Attended by the foregoing and many other known and glaring abuses and irregularities in its operations, the United States Housing Authority continued in the so-called slum-clearance field until this country launched its preparedness program and entered World War II. Thereupon, pursuant to congressional authorization, its funds and organization were diverted to furnishing housing for war workers.

In February, 1942, President Roosevelt found that 17 different Federal agencies were engaged in defense- and war-housing activities, each on its own. By Executive Order 9070 of February 24, 1942, he created a new agency, National Housing Agency, and consolidated under it the agencies theretofore engaged in defense and war housing work. Into the consolidation, among others, went the United States Housing Authority—though it is a corporate body—Federal Housing Administration, insuring housing loans—the Home Loan Bank Board and its constituent organizations, including its corporations, and others—see United States Government Manual, first edition, 1945, page 124.

During the hearings on the war agencies bill, 1946, Abner H. Ferguson, then Administrator, Federal Housing Administration, stated that his agency had insured war housing loans aggregating \$1,700,000,000, covering 400,000 dwelling units—enough, as he expressed it, in terms of typical American communities, to rebuild completely the cities of Portland, Maine, Washington, D. C., Atlanta, Ga., and St. Paul, Minn. It is commonly understood from those hearings and

otherwise that the greater part of the Federal investment in defense—and war-housing will be a loss to the taxpayers—see House hearings, War Agencies bill, 1946, pages 737 and 762.

Now, another and further housing program is proposed in the pending bill, with millions of dollars in subsidies to carry it out. It is quite manifest that, with a public debt and contingent liabilities of \$650,000,000,000 or more as of the end of 1945, and with these added proposals for more millions of expenditures and subsidies, the Government of the United States faces absolute bankruptcy. But, with it all, past housing performances have been so costly and such failures that it behooves the Congress to think not only twice but several times before this new program is adopted.

Much is claimed for the pending measure as a means of helping returning veterans. There has been no clear showing that the veterans are demanding the enactment of this bill into law, or that they want it at all cost and without regard to whether it will be a useless burden on the taxpayers. For my part, I am convinced that the demand for the legislation, such as it is, has been built up by the administration's army of propagandists, through use of the radio, the press, and the speaking platforms.

Pages 711 to 714 of the hearings on the 1946 independent offices appropriation bill show that, as disclosed in the daily press, and as admitted by housing agency representatives, an exhaustive survey of alleged postwar housing needs was under way in the fall of 1944. Indeed, as shown by those hearings, it is quite apparent that the late President envisioned housing as a vehicle to be used for further deficit spending, for, by Executive Order 9384, of October 4, 1943, he directed all agencies of the Government, including the Bureau of the Budget, to plan for postwar works and projects. Of course, the housing agencies eagerly complied with that directive; and we now have their plan, with the veterans' alleged needs dragged in as a red herring to bemuse, bemuddle, and confound the thinking of Congress on this questionable measure.

As to the veterans' housing needs, if we are to accept as true the representations of the housing proponents, that millions of homes must be provided for veterans, it seems to follow that we must also assume that, of the 11,000,000 men in the armed forces, only a few of them had homes when they entered the services, and that those who did have homes have through some unexplained action or force lost their homes while they were absent. No, gentlemen, the picture is overdrawn and overplayed.

Due to a recent administration move, designed it would seem, to smooth the road for passage of this measure, the 1947 appropriation requests of the housing agencies were not considered in the independent offices bill, but were deferred for hearing by a new subcommittee which is to consider appropriation requests by corporations. It is to be remembered, however, that neither the National Housing Agency nor several of its constituent organizations are bodies corporate, including Federal Housing Ad-

ministration, Federal Public Housing Authority, and others.

National Housing Agency and its constituent organizations did, however, submit appropriation justifications for the fiscal year 1947 before it was decided that they should be removed from the independent offices bill. Those justifications are rather illuminating, in that they do not reflect such an elaborate housing set-up as is contemplated in this pending bill, and they do not put nearly so much emphasis on the alleged needs of veterans. They do, however, insist that more public housing will be needed, so that there will be no necessity for doubling up in the use of existing housing. In other words, the housing agencies seem to demand a separate home, a separate apartment, or a separate roof for every family in America, whether every family wants that or not.

The CHAIRMAN. All time has expired.

The question is on the substitute offered by the gentleman from Michigan [Mr. WOLCOTT], as amended.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 104, noes 137.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee again divided; and the tellers reported that there were—ayes 119, noes 177.

So the substitute was rejected.

(Mr. DE LACY and Mr. HINSHAW asked and were given permission to revise and extend their remarks.)

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Chairman, I am always very glad to have my constituents know concerning my action in the House, my attitude toward public questions, and my vote on all critical measures. Many of my important votes may be learned from the CONGRESSIONAL RECORD, if such are recorded, or roll-call votes, but as all know there are some important votes that are not record votes, as for instance voice votes or divisions in the Committee of the Whole or teller votes. Yesterday we had an important teller vote on the Monroney amendment to the veterans' housing bill. This was a standing vote, followed by a teller vote. Some of the Washington papers, attempting to check Members on this teller vote, incorrectly recorded me on this vote in today's papers. I hope they will make due correction, as they have promised.

The Monroney amendment was defeated. Therefore, I voted on the losing side, but my stand on it is clear enough to my colleagues because of my having made two speeches on the floor of the House yesterday pertaining to the subject matter of the Monroney amendment. These remarks may be found on pages 1918 and 1922 for the RECORD of March 4. In these speeches I said that I was not too

well satisfied with subsidies but that during the war we had used production subsidies to call forth adequate wartime materials, and that I was convinced that if the Wyatt program was to be carried out adequately in supplying homes for veterans we would need to pay production subsidies and premium incentives to get the supplies. I not only said that, but I voted accordingly on the Monroney amendment.

And now that the bill is 24 hours further along on its destination, I am pleased that the Patman amendment was adopted today instead of the Wolcott substitute, and I feel certain that thus amended the Patman bill will go a long way toward furnishing veterans homes in the quickest possible time. In fact, the adoption of the Patman amendment today may compensate largely for the loss of the Monroney amendment yesterday. Perhaps, after all, it is better to subsidize the veterans themselves than to attempt to subsidize the producers of the materials which the veterans must have for their homes.

At least, the bill as it is now shaping up looks toward furnishing a larger number of homes for veterans within a price range that they may meet, rather than offering a building boom and a field day for speculators, as have some of the proposals we had offered during the course of this hectic and strenuous debate. It remains to be seen whether this legislation will meet the Nation's obligations to the veterans, which is the very aim and purpose of it. It could have been better, but I am prepared to vote for the measure as it now stands.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE FALLACY OF THE PROPOSED HOUSING LAW

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am convinced that the sponsors of the Patman subsidized housing bill, are so accustomed to dealing with millions and billions of dollars, that they have an inflated notion that the rank and file of veterans, who want homes, can afford and pay for homes costing from \$6,000 and up. Under prevailing material and construction costs, a home costing \$6,000 will not be worth more than \$3,500 or \$4,000 during normal times. The latter prices are about what most veterans and others should pay for a comfortable modern home, with the expectation that they will pay for them over a long period of years. Of course, many veterans can afford more expensive homes, but I am talking about the average citizens who must work for a living.

A large percentage of the home-purchasing veterans will, of necessity, be compelled to borrow the entire amount of the purchase price of a \$6,000 home. Within a few years the value of this home will be reduced from its inflated value to \$4,000 or less. But the veteran will be continuing to pay on a \$6,000 mortgage for the balance of his life. It

is decidedly unfair to saddle him with such a financial burden.

Furthermore, I am convinced that the production of all types of building materials will not be increased through the subsidy method. A subsidy is a debt that must be paid in the future. We had better face the facts as they now exist and remove Government bottlenecks that are stopping the production of lumber, brick, plumbing, and other building materials. We had better also recognize the fact that lumber and other building materials are being shipped out of the country in sufficient volume to build tens of thousands of homes each year. It is about time that Congress passes some honest legislation which will actually provide homes at reasonable prices, rather than to continue a policy of Government obstruction, which policies can only create additional scarcities. Such a policy will cause more danger for a runaway inflation and more Government controls.

The sponsors of this legislation for the administration talk about renting homes to veterans for \$50 a month and up. Only a limited number of veterans can afford to pay such a rent. Most of them want homes that will rent from \$25 to \$35 per month. That is all they can afford to pay. I am not talking about the veterans who live in New York City. I am talking about the average veteran who wants to rent or build a home in the cities or villages or on the farms in southern Minnesota, and I know what I am talking about.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD on the life and service of the late Buell Snyder, a Representative from the State of Pennsylvania.

Mr. ENGLE of California asked and was given permission to extend his remarks in the RECORD and include a number of editorials.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD and include a letter.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks and to include two telegrams.

Mr. BIEMILLER asked and was given permission to include an editorial from the Washington Post in the remarks he made in the Committee of the Whole on the deficiency appropriation bill.

Mr. SAVAGE asked and was given permission to extend his remarks in the RECORD

and to include an article from the Atlantic Monthly for February.

Mr. SIKES asked and was given permission to extend his own remarks in the Appendix of the RECORD.

SPECIAL ORDER GRANTED

Mr. SIKES. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted, I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

EXTENSION OF REMARKS

Mrs. DOUGLAS of California asked and was given permission to extend her remarks in the Appendix of the RECORD in five instances and to include certain excerpts.

SPECIAL ORDER GRANTED

Mr. GIBSON. Mr. Speaker, I ask unanimous consent that after the conclusion of special orders heretofore granted today I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. DURHAM asked and was given permission to revise and extend his remarks and include a letter.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in three instances and in connection with each to include an editorial.

Mr. RANKIN asked and was given permission to insert in the RECORD at the point of his colloquy with the gentleman from Indiana [Mr. LUDLOW] a statistical summary of activities of the Veterans' Administration.

Mr. FEIGHAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Cleveland Plain Dealer.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in three instances.

CALENDAR WEDNESDAY BUSINESS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. STEWART asked and was given permission to extend his remarks in the Appendix of the RECORD and include an open letter to the hired men in Washington from the Spiro Times.

COMMITTEE ON POSTWAR ECONOMIC POLICY AND PLANNING

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Postwar Economic Policy and Planning may have until midnight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. PLUMLEY asked and was given permission to extend his own remarks and include an article from a newspaper.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his own remarks in two instances, in one to include copies of letters from constituents, and in the other an editorial.

Mr. BATES of Massachusetts asked and was given permission to extend his remarks in the RECORD and include therein an address by the Most Reverend Richard J. Cushing at the Polish bicentennial services in Boston, and also an introductory address.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and include two short radio speeches delivered by other persons.

CORRECTION OF THE RECORD

Mr. KUNKEL. Mr. Speaker, I am recorded on roll call No. 39 as not having answered to my name. This is an error. I was present and did answer to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected.

The SPEAKER. Without objection, the permanent RECORD and Journal will be corrected.

There was no objection.

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial on the subject of American relations with Russia.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include therewith a set of resolutions presented by a farm organization.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include therein an editorial.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SHORT asked and was given permission to insert several letters and telegrams following the remarks he made this afternoon in the Committee of the Whole.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HAND asked and was given permission to extend his own remarks in the Appendix of the RECORD.

SPECIAL ORDER GRANTED

Mr. HAND. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative business and other special orders on Thursday I may address the House for not to exceed 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CORRECTION OF THE RECORD

Mr. JENSEN. Mr. Speaker, on yesterday during the consideration of the

Consent Calendar the gentleman from New York asked that S. 1425 go over without prejudice. I immediately took the floor after completion of the call of the Consent Calendar for the purpose of ascertaining the reason for the objection. The RECORD shows that I asked about H. R. 4914, but the bill I was interested in was a bridge bill, under which it is proposed to build a bridge over the Missouri River from Burke County, Nebr., into Monona County, Iowa. I ask that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter from Mr. Windsor J. Lloyd, of the Lloyd Lumber Co., Nampa, Idaho, on the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The letter referred to is as follows:

LLOYD LUMBER CO.,
Nampa, Idaho, March 2, 1946.

Congressman COMPTON I. WHITE,
House of Representatives Office
Building, Washington, D. C.

DEAR CONGRESSMAN WHITE: I am writing in regard to housing bill H. R. 4761, commonly known as the Patman housing bill, which is now in the House. I simply would like to lay before you a few facts which should be considered in any legislation concerning housing and building materials.

At present building materials are controlled by Civilian Production Administration Orders Nos. PR-1, PR-33, and directives to PR-33. These regulations, when you consider paragraph 944.7 of PR-1, which gives preference to HH ratings over unrated orders, and PR-33, which creates the HH ratings for what is commonly known as GI housing, when the application has been approved by the Federal Housing Administration, and Directive 1 to PR-33, which gives the privilege of extending HH ratings, creates a condition whereby we are unable to obtain any lumber except where we certify to the mill that all lumber received will be used for GI housing that has been approved by the Federal Housing Administration.

This results in no lumber being available for necessary repairs, agricultural needs, or industry upkeep.

I am certainly sympathetic with the GI and his need for housing, but housing alone will not fill the needs of the United States. In other words, we must keep our agricultural production up to full capacity, as well as processing plants for agricultural goods, if the Nation is going to be fed as well as housed, both of which are important and necessary.

The Congress should consider all the facts before they pass any legislation and we must look at the supply of materials as the basic factor which allows the United States to go ahead in any field. The lumber supply last year, I am advised, was a total of 29,000,000,000 feet. This year we shall probably reach 30,000,000,000 feet. Normally 60 percent of this went to industry, railroads, and exports, leaving approximately 40 percent, which went to housing. This is somewhat accounted for by the fact that the log does not lend itself to housing lumber entirely and in sawing there does not develop a lot of lumber that is not suitable for normal house construction. Therefore, though we increase this percentage to 50 percent, we will only develop about 15,000,000,000 feet

for housing, necessary agricultural use, and small industries, which sales are normally handled by the retail lumber yard.

Since it takes about 15,000 feet of lumber to construct the average small home, I would estimate that the United States can only build approximately 500,000 houses in 1946.

Mr. Wyatt's plan is apparently calling for 1,400,000 houses in 1946, and apparently from the newspaper reports, he plans on doing this largely by creating factories which will prefabricate the house. Prefabricated houses take lumber just the same as normal construction and therefore do not solve the basic trouble which is supply of materials. Also, as far as I have been able to learn, prefabricated houses do not reduce the cost of the house, neither do they satisfy the consumer as well as the home that has been planned by the individual and is different from others. We must recognize that we cannot change human desires, and one thing the wife does not want is a house like other people have. We do not object to driving a car like our neighbor's, but our wives do not want the same hat or dress that is worn by their neighbor, and this applies to housing, I am sure.

If Mr. Wyatt's plan of prefabrication should be realized we will probably find that most of the building materials will go to prefabricating factories, and our agricultural needs, small industry needs, and necessary repairs will definitely suffer. I firmly believe that before 1946 is over we will find that we have a very definite need for food, which is produced on our farms, as well as for housing.

I feel that private industry can take care of the housing job and also our mechanics, such as carpenters, plumbers, plasterers, and so forth, can do the job better in our normal way than to create large prefabrication plants where skilled labor will be largely eliminated, which would leave the local mechanics out of work.

Yours very truly,

LLOYD LUMBER CO.,
WINDSOR J. LLOYD.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include therein an editorial from the Concord Monitor.

Mr. WOODRUFF (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the RECORD and include an editorial from Labor Digest.

Mr. HARTLEY asked and was given permission to extend his own remarks in the RECORD.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks in the RECORD and include a speech made by Judge Knox.

Mr. ARNOLD asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. REED of New York (at the request of Mr. MICHENER) was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial and in the other a newspaper article.

Mr. JENSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a telegram from H. R. Northrup, secretary-manager of the National Retail Lumber Dealers Association.

Mr. BENDER asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. RICHARDS asked and was given permission to extend his remarks in the

RECORD and include an article from the Christian Science Monitor on the subject of selling America abroad.

Mr. GEELAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a statement of Mr. John W. Edelman, Washington representative of the Textile Workers Union of America, in which he includes an editorial appearing in the Vanguard, the CIO publication in the State of Connecticut. Both Mr. Edelman's statement and the editorial deal with the need for an upward revision of the minimum-wage law.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MONRONEY asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post and a news article from the Washington Post on the organization of Congress.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD and include a brief poem by a serviceman from his district.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a letter from one of his constituents.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and insert an editorial appearing in the Boston Daily Record.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in seven instances, and to include therein certain statements, editorials, excerpts, and a radio address.

DISPOSITION OF SURPLUS WAR PROPERTY

The SPEAKER. Under the previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 10 minutes.

Mr. SIKES. Mr. Speaker, some of the people who are charged with the disposal of surplus property are dealing off the bottom of the deck. It is time to clean up the mess they have created.

For months I have been trying to aid county and municipal agencies, veterans, and private firms to secure surplus goods under the laws governing their disposal. I find it is virtually impossible to obtain them.

Yet we know that surplus property is being disposed of. Apparently much of it is sold before it is cataloged and offered through the regular channels.

I have dates, places, and serial numbers of some of the equipment thus disposed of, and I shall ask the Department of Justice to make a full investigation.

Congress passed a workable law for the administration of surplus property, and I am tired of the present inexcusable delays and abuses. I would like to point out a few examples. I can name an official of my State who was handed a surplus-property catalog just off the press. He was trying to buy tractors, and 75 were listed. Yet when he asked to be allowed to place his order he was told they all were sold. This took place in Atlanta in the office of one of the officials

freedom by keeping government free and in the hands of people. It has fought autocracy and statism throughout its history and the great liberalization of social and human rights that have preserved and increased the dignity of the individual have been sponsored in States and in the Nation under Republican leadership and policies.

After the Civil War the great West was opened, transportation systems were built, the vast resources of our continent became available for use and opportunity became unlimited. In no other country was emphasis so placed upon the rights of humanity and the responsibility for one's brother as in our own country and we carried to the rest of the world our conception of progress and self-government. Dignity and responsibility in public office was accentuated and throughout the years of Republican administration emphasis was placed upon more opportunity for the individual and less control by the Federal Government.

Under this system we reached new heights of human comfort. We became the land of opportunity and hope.

We have been put to the test twice in the last 28 years and each time have proved beyond all doubt that free men and women in the free system of human enterprise can overcome systems of regimentation. In 1917 and 1918 and without long preparation the genius of our production both of labor and management astounded the world and produced the power to give victory in that war. Again in 1941 the genius of free enterprise in management and labor produced "impossible" results and tipped the scales in World War II for victory against the most highly organized and well-prepared forces of slavery and destruction that the world has ever seen. These great accomplishments could not have occurred except for the foundations of freedom and of individual liberty that had been laid down in the years before, and most of these years had been Republican years.

The crisis facing us today is not financial alone, but threatens the very roots of our system. Forces are at work in our country, and have been at work for the past 13 years, in powerful places of Government, designing and scheming to change our system into a controlled and dictated economy that would destroy the fundamentals of free enterprise and individual responsibility.

When the New Deal went into power in 1933 it promptly broke all of the pledges it had made to the American people and set out to acquire power, to tax and spend, and thereby break down the accumulations of individuals and, in the words of one of its mentors, Dr. Tugwell, "to make America over." The detailed prewar failure of the New Deal to reestablish sound economy is too well known for repetition here. The piling up of a peacetime national debt to nearly \$50,000,000,000; the hysterical repeated cry of "emergency"; and the constant grasp for power through the creation of hundreds of bureaucratic agencies whereby appointed officials make their own laws, interpret them, and sit in judgment upon their violation; the servitude of the Congress to the President during that period, and the brazen assaults upon the last pillar of constitutional strength, the Supreme Court, were all weapons of confusion and change calculated to "make America over."

The public may not yet realize the ominous significance of bureaucratic government. It is only when the individual gets caught in the meshes of changing regulations, snooping, and arbitrary punishments for alleged infractions of unknown and often unavailable regulations, that the significance of government by men and not by laws is emphasized.

During the eight peacetime years of the New Deal these practices grew by enormous proportions. Except for the threat of war, before which we were solemnly promised by

the highest authority that "your sons will not be sent to fight in foreign lands," the Nation would have completely repudiated the policies of the New Deal that were strangling us. The record proves beyond argument that after 8 years of these policies, the economic level had not been returned to that of the twenties; men had not been put back to work and dependency and poverty—in a land of plenty—were on the increase.

We did get into World War II, our armed forces fought with unsurpassed brilliance, families sacrificed their loved ones, and their money, and Republican blood flowed just as red as Democratic blood. In this fight for the principles of freedom, the armed forces of this country became the only place where it was not necessary to prove allegiance to the New Deal in order to get a Government job.

Our Nation fought this Global War to protect the opportunity and enterprise of America and to help establish its principles in other parts of the world. We have endured controls that are dictatorial, but necessary in War. We have suffered enormous casualties and we now have a national debt, a mortgage upon the future of those who fought, and of the generations to come, of nearly \$300,000,000,000.

The share of every man, woman, and child in our Nation is \$2,000. Every veteran who starts in life begins with that debt against his future earnings, and his wife has the same debt—and the babies born have the same debt. The man who labors and his wife and children have this debt, and it must be paid out of the future production and earnings of the people of the United States. Every American family of four owes \$8,000.

Under our system the earnings of the individual create his freedom and independence and provide a means by which he can assume the responsibility for his own destiny. We want security in this country but we want security with freedom. Before the Civil War the Negro in the South had clothing, food, and shelter, but he was not free. He did have a substantial measure of security but he had no control over the fruits of his labor and he could not assume, or meet, any responsibility for his own advancement or progress. He was a slave with shelter, but the master took his earnings.

Today our debt and the demands of government, National and State, through taxation, command at least 40 percent of the earnings of America, and if national income should drop that percentage would increase because the obligation is a fixed charge. We have gone far down the road toward statism—statism of arbitrary rule, statism in which government is becoming the master of the enterprise and the freedom of the individual and is commanding more and more of that which he earns and dictates more and more how he shall earn it. If we should reach that 100 percent, then economic freedom will have been completely destroyed and we will have substituted for it full enslavement of the people to government.

There is only one certain way by which we can stop this headlong rush toward centralization and dominion of government; there is only one way by which we can assure the continued mastery of the people over government and halt the growing mastery of government over the people. That way is by the election of a Republican Congress and a Republican administration.

I say this is the only way because the New Deal and the administration have offered no solution to the existing economic confusion and political corruption other than more spending, more controls, and more concentration of government. Our budget for next year has been proposed at around \$35,000,000,000, and messiahs of the New Deal croak hoarsely that the failure of peacetime recovery in the thirties was because we did not spend enough money in deficit financing. Instead of deficit expenditures of \$3,000,-

000,000 to \$5,000,000,000 a year, they now say deficit spending of perhaps \$40,000,000,000 per year is needed. They say that we did not have enough controls and that we need more. They say that free enterprise should be further shackled, ruled, and managed; they weakly explain the failure of their plans by saying that they did not plan enough; they brush aside as a bothersome irritant the fact that the American system of individual opportunity and freedom of the past 150 years built the most virile and productive economy the world has ever seen. They fight at every turn the attempts to reestablish these principles for the recovery of America.

We have won a military victory in this war and the organized forces of barbarism have been crushed, but if the sacrifices our people have made are justified we must win the war of reconversion and peace that is now upon us. The world is in terrible chaos—friend and enemy alike are starving, social and political systems are tottering. The opportunity—in fact, the obligation—is ours to lend a guiding hand and influence in the interest of humanity. But we cannot assert our full strength and influence so long as internal confusion of policy and economy continue here at home. Domestically we face the specter of inflation and the administration is doing nothing constructive to stop it; the administration is fumbling with policies that consistently contribute to this danger.

There is only one way to prevent further inflation and restore normal peacetime economy—that is maximum production and maximum use of our resources.

Government agencies, at the people's expense and in direct violation of law, are using millions of public money to flood this country with a vast propaganda, claiming that prices have been held down and that inflation has been prevented. Cost-of-living statistics have been published with abandon, many of which have been compiled on non-existent articles. The price curve of low-cost clothing and other goods may have gone up 33 percent but if there is none available one must buy luxury items as necessities. Subsidies from the Public Treasury, to the extent of billions of dollars, have been poured out under the false premise that these keep down the cost of living. Every dollar of subsidy, however, is added to the tax bill and must eventually be paid by us and by generations that did not incur the debt. There are those in Government who urge permanent controls. If they are established, production in this country will be further stifled—inflation and black markets will flourish as never before—full regimentation will result and both America and the world will be pushed backward.

Controls of prices and of the allocation and distribution of products is desirable during the emergency period following the war, until production equals demand, but these controls should not be those of strangulation. Policies that fix prices below the actual cost of production prevent production. No farmer, manufacturer or businessman can long stay in business if he is forced to sell either without a profit or below cost and labor suffers from unemployment. There are many businesses that have been able to sell at a profit, and that can produce and sell under present regulations at a modest profit now, but usually these are so-called big businesses having multiple lines of production in which they can absorb the price lost on one article from the profit made on another. Too often however, they stop the production of the unprofitable item and produce only the profitable items. Little business, upon whose products a price has been fixed by Government below the cost of production, cannot absorb these losses however, and therefore must either curtail production or go out of business; and little businesses have closed by the thousands in recent months. The propaganda has it that adjustments are made in these cases, but

the fact is that Government policy through delays, incompetence, and some times by deliberate intention, fails to make these adjustments, and the public fails to get the goods. Production is now, and always has been, a matter of price and everyone knows that if labor and material costs are increased they must be reflected in prices. Free enterprise cannot exist when wages and material costs spiral upward, but final price is held rigidly to a prewar level below actual cost. It just simply won't work.

It is not necessary for prices to be permitted to run away. Controls can be exercised and maintained at one level as well as at another, but production cannot be secured when prices on many essentials are held at a level that will not permit the production and distribution of goods at a profit.

Much of this confusion has resulted directly either from the incompetence of public officials who write the policies or from the political ambitions of others who seek these controls as stepping stones for their own ambition and shortage of housing, textiles, machinery and countless other essentials can be traced directly to these stupid or calculated policies.

If we are to have recovery, the fumbling and uncertain policies of the present administration must be stopped—men of competence must be placed in administrative positions with a sympathetic determination to get the wheels of peace and industry going.

We have ample proof that being a political or social pal of the President is not an automatic qualification for high public office; that hailing from a certain group in Missouri does not bring efficiency or solution to the problems that must be met and solved.

Our job is to reconvert America at the earliest possible moment to free enterprise and opportunity. We must, and will, meet the social problems. The Republican Party has met these problems in the past and has guided this country during its greatest progress and prosperity. The principles of collective bargaining for labor were established and developed by Republican administrations—State and national. Workmen's compensation, anti-child-labor laws, and a host of others were sponsored and passed in Republican States; the rights of the individuals were protected and free enterprise was developed as Republican policy. This will continue to be our job.

The prospects for the future are beyond belief if our system is unshackled and free men and women in a free economy are permitted to exercise their genius. On the contrary, if statism becomes dominant and the economy of our country and of the individual is increasingly controlled by bureaucratic edict, this progress will be stifled and tomorrow's generations will suffer.

We need a restatement of the Bill of Rights, and we need an administrative Government in this country as fully committed to, as fully cognizant of, and as unwaveringly determined to enforce these principles as was Abraham Lincoln, as were the signers of the Declaration of Independence, and as were the fathers of the Constitution. We need no theorists either from here or from abroad to remake our Nation and our system. We need courageous public officials who will, as a sacred duty and with understanding and competence, retain and strengthen the American system—the greatest system for human progress the world has ever seen.

In addition to domestic confusion, the administration has handled international affairs with timidity and uncertainty. Our Nation took the lead in sponsoring and establishing the United Nations Organization. With vigorous and sincere cooperation by the nations this can be the basis for future peace, but with that exception our foreign policy has been shrouded in mystery and suspicion. We find secret agreements continuing to crop up, even after repeated assurances

that there are no secret agreements. We built vast installations throughout the world without receiving in return any assurance that we might use them in peacetime; we find members of the State Department making various and often conflicting declarations of policies that confuse the international picture. We see strange proposals to give up secrets of the atom bomb, possessed exclusively by us, before we have any assurances that the world will commit itself to peace and abandon the destruction of war.

Atomic energy and its awful power should be one of the strongest weapons for peace, but it will become the greatest threat to civilization if, without reliable and adequate assurances of peace, it is made available to those who promote war.

Our policies and obligations should be courageously adopted and vigorously stated, and we should not compromise on fundamental objectives upon which the destiny of tomorrow depends. Our freedoms must be secured, and the trade of the world must be free to flow. The people of the world should have their standards of income and living raised—not by donations, but through production and fair play. But above all we must follow a policy at home and abroad that will safeguard and preserve the standards and profits of a free America and a progressive, prosperous citizenry. Most of these responsibilities rest on administrative leadership; in order to obtain them we must have a change in administrative leadership.

The confusion and internal frustration of the administration in Washington has never been more apparent than now. When have we ever before seen a member of the President's Cabinet go before a committee of the Senate and blast the confirmation of a Presidential appointee to high office? When have we seen such a multitude of objections and criticism to other appointments as have occurred recently? When have we seen party henchmen and personal associates in such numbers, and without adequate qualification, proposed for and put in charge of vital Government agencies and functions? And when has the fate of our system been more at stake?

A great obligation rests upon us, all of us. We owe it to the man who labors and who is now subjected to autocratic control to a degree unequalled heretofore. He works or goes idle at the command of leaders, some of whom are sincere and some of whom are criminal racketeers. Many times their orders do not represent the will of the majority, but it all amounts to the same thing—they are regimented, their freedom of action is controlled, and they and the public suffer. We owe an obligation to the service men and women of this country to maintain the right to work, free from tribute and free from dictation. We owe to the fathers and mothers of those who fought and those who died, the preservation of the system for which they sacrificed, and we owe an obligation to the men and women of the past whose courage and foresight won a wilderness for freedom on our eastern shores, and who spread that system westward over the prairies and plains and across the majestic mountains of the West until it touched the Pacific. The fruits of their sacrifices must not be lost. But perhaps greater than all responsibilities is our responsibility to the generations of tomorrow. Their heritage is in our keeping; the measure of their freedom, of their comfort, and their progress will be largely fixed by us these years and we must not shirk it. The generations of tomorrow will either condemn or praise us and we have it in our power to say which it will be.

Political government and policies control the destinies of man. They can shackle all freedoms as they have done in countries of the world within our own generation, or through eternal vigilance in protection of

the sovereignty of man, they can keep clear the road to higher destinies.

We of the Republican Party have the great responsibility of protecting our system and of preserving it for ourselves and for the groping millions of the world who look to us for inspiration.

Let us again, with Lincoln, "highly resolve that this Nation * * * of the people, by the people, and for the people, shall not perish from the earth."

Housing Stabilization

SPEECH
OF

HON. ANDREW J. BIEMILLER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The CHAIRMAN. The gentleman from Wisconsin [Mr. BIEMILLER] is recognized.

(Mr. BIEMILLER asked and was given permission to revise and extend his remarks.)

Mr. BIEMILLER. Mr. Chairman, a few short years ago President Franklin D. Roosevelt set certain goals for the production of instruments of war. One of the goals he set was 50,000 airplanes a year. The prophets of doom on all sides laughed at that goal. They said it could not be done. You and I know what was done. We turned out not 50,000 but 100,000 planes in our best year, and turned out far more advanced and far heavier models than the world ever thought was possible. That was not done by sticking to old ideas. That was done by experimenting with new ideas. It was done by production subsidies in certain lines of activities, if you will.

Today, our Nation is confronted with exactly the same kind of a crisis. We have an emergency in housing for veterans. We promised those men who lived in fox holes they would have homes when they came back to this country. They are not getting them today. They will not get them unless we show some kind of imagination, some kind of willingness to experiment with new ideas, as well as to continue old ones.

I hope this House will not be foolish enough to vote down the Monroney amendment. It is the only hope we have for meeting the crisis of our time, the crisis of housing for veterans. Subsidies are needed both to stimulate new methods and new materials and to bring marginal producers of old-line building materials into the market. No one need fear they will be frozen out. The scope of the Wyatt program is so broad that we will need far more materials and many more mechanics than the industry has ever had before.

Let us show our veterans that a nation which did such a magnificent job in pro-

ducing the instruments of war can do the same kind of a job in producing peacetime homes.

The Monroney amendment is the core of that program. It will prevent profiteering which would result from a rise in prices, it will bring marginal producers into the picture as copper subsidies did during the war. It will save untold millions to veterans by keeping down the price of houses. I sincerely hope it passes.

Housing Stabilization

SPEECH
OF

HON. JAMES I. DOLLIVER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. DOLLIVER].

(Mr. DOLLIVER asked and was given permission to revise and extend his remarks.)

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield.

Miss SUMNER of Illinois. May I call the attention of the House to one highly important fact. If you read this amendment, you will see it is so broad it gives the Director a God-like power and he can make or break a man. For instance, under this amendment, in my opinion, he could give a dollar to some established producer of materials and give all the rest of the \$600,000,000 to one person such as Kaiser, for instance.

Mr. DOLLIVER. Mr. Chairman, after listening to the debate between Members of the House for several days past and trying to find my way out of the maze of argument, I think I have come to one conclusion, at least. It seems to me there is too much of a tendency on the part of some of the Members of the House to arrogate unto themselves an exclusive interest in the veterans. The idea that only they are interested in housing for veterans, and only by means of their particular scheme will we see housing for veterans accomplished is repugnant to me. I desire to go on record now as saying that the people of the United States, and specifically the people in my own district, are extremely interested in securing housing for veterans. They are as vitally interested as any self-proclaimed champion of veterans who is a Member of Congress, because these veterans are the flesh and blood of our people. Of course our service people deserve and have a first claim on our constituents.

I likewise have come to the conclusion that to pass this amendment offering subsidies in this lavish and unprincipled fashion will not accomplish the result that is desired. These subsidies will merely result in more spending of public funds, with no benefits commensurate with the expenditure. I am, more and more driven to believe that the American people need and want to be delivered from the deadening hand of Government control and bureaucracy. Americans want to be free. Free to carry out their own plans in their own way; free from Federal planning; free from the threat of reprisals at the hands of a Government agency; free to live their own lives in a manner uncontrolled by the vagaries of economist or statistician.

Dr. Edwin Walter Kemmerer

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. REED of New York. Mr. Speaker, I wish to take this opportunity to include as a part of my remarks the very fine tribute paid to Dr. Edwin Walter Kemmerer, one of the outstanding and most distinguished experts on monetary questions. I have had close contact with Dr. Kemmerer for many years and I deplore his sudden passing as a distinct personal loss, as well as a great loss to the Nation.

The tribute follows:

[From Monetary Notes, published by the Economists' National Committee on Monetary Policy]

DR. EDWIN WALTER KEMMERER

JUNE 29, 1875-DECEMBER 16, 1945

On December 16, Dr. Edwin Walter Kemmerer, president of this committee, passed away. Although he had experienced a heart attack during the late summer, he appeared to be on the road to recovery and shortly before his death had written this office expressing the hope and expectation of attending the coming annual meeting of our executive committee and officers in late January or early February.

The passing of Dr. Kemmerer deprives the committee and the country of the wise counsel of perhaps the most experienced scholar in the field of money that this Nation has produced in recent years, if not in its entire history. No other man has advised so many countries in monetary matters.

With a thorough knowledge of monetary history, he had a perspective that prevented him from being carried away either by love of novelty or by admiration of antiquity. He had the capacity for great patience; he knew how long it sometimes takes for economic forces to work themselves out to their logical conclusions; and he was remarkably tolerant of people with much less knowledge, perspective, and experience.

But in addition to his distinguished record as a teacher, a scholar, and a man of affairs in the monetary field, Dr. Kemmerer was a gentleman of the highest type. He was always kind, helpful, generous, and a splendid cooperator. He had the mellowness and the modesty of the intelligent and widely experienced man, and he had a delightful

sense of humor. To have known and to have been associated with him intimately have been among the rare privileges of life.

The world has been made poorer by his passing, and the loss of his valuable counsel in monetary matters is something that this country could ill afford at any time, much less in times like these.

The following record from Who's Who (1944-45), reveals something of his attainments and public service:

"Born Scranton, Pa., June 29, 1875; s. Lorenzo Dow and Martha H. (Courtright) K.; A.B., Wesleyan U., 1899, LL.D., 1926; fellow in economics and finance, Cornell, 1899-1901, Ph.D., 1903; LL.D., Occidental Coll., 1928; Dr., honoris causa, Central U., Ecuador, also from all univs. of Bolivia, 1927; D.C.S., Oglethorpe Univ., 1933; D. Sc., Rutgers Univ., 1933; LL.D., Columbia Univ., 1935; m. Rachel Dickele, Dec. 24, 1901; children—Donald Lorenzo, Ruth. Instr. economics and history Purdue U., 1901-03; financial adviser to U.S. Philippine Commn., spl. reference to establishment gold standard in P.I., 1903; chief div. of currency, P.I., 1904-1906; asst. prof. polit. economy, 1906-09, prof. economics and finance, 1909-12, Cornell U.; professor economics and finance, Princeton U., 1912-28. Walker professor international finance, and director Internat. Finance Section, 1928-43, professor emeritus since June 1943; financial adviser to Govt. of Mexico, 1917, and to Government of Guatemala, 1919; chmn. Commn. of Am. Financial Advisers to Colombia, 1923. Mem. Kemmerer-Vissering Gold Standard Inquiry Commission for Union of South Africa, 1924-25; expert on currency and banking to Dawes Committee, 1925; chairman American Commn. of Financial Advisers to Chile, 1925; chmn. American Commn. of Financial Advisers to Poland, 1926, to Ecuador, 1926-27, to Bolivia, 1927; pres. Am. Commn. Financial Advisers to Colombia, 1930, to Peru, 1931; president American Commission, Financial Experts to China, 1929; joint chmn. Hines-Kemmerer Commn. to make econ. survey of Turkey, 1934; pres. Economists' Nat. Com. on Monetary Policy since 1937. Mng. editor Economic Bulletin, 1907-10. Contbr. magazines, Fellow Am. Statistical Assn., Am. Acad. of Arts and Sciences; mem. American Economic Association (president 1926), American Philos. Soc., Council on Foreign Relations. Awarded gold medal by Govt. of Colombia, for services to Colombia, 1923; Commander's Star, Order of Polonia Restituta, 1926; Order of Merit, First Class, Ecuador, 1927; Order of the Crown (Belgium), 1937. Trustee Wesleyan Univ. since 1936, Scranton-Keystone Junior College since 1935. Director U.S. and Foreign Securities Corp.; U.S. and Internat. Securities Corp.; Dividend Shares; Carriers and General; Bullock Fund; Am. and Foreign Power Co. Mem. Delta Kappa Epsilon, Phi Beta Kappa. Mason. Clubs: Century, Bankers, Princeton; Nassau (Princeton); Blooming Grove Hunting and Fishing (Pa.); Bald Peak Colony (N.H.). Author: Report on the Advisability of Establishing a Government Agricultural Bank in the Philippines, 1906; Report on the Agricultural Bank of Egypt, 1906; Money and Credit Instruments in Their Relation to Gen. Prices, 1907, revised, 1909; Seasonal Variations in the Relative Demand for Money and Capital in the United States (in report of Nat. Monetary Commn.), 1910; Modern Currency Reforms, 1916; The United States Postal Savings System, 1917; Monetary System of Mexico, 1917; The A B C of the Federal Reserve System, 1918, 11th rev. edit., 1938; Six Lectures on the Federal Reserve System, 1920; High Prices and Deflation, 1920; Kemmerer on Money, 1934; Money—The Principles of Money and Their Exemplification in Outstanding Chapters of Monetary History, 1935; Inflation and Revolution: Mexico's Experience of 1912-1917, 1940; The ABC of Inflation, 1942. Home: 161 Hodge Road, Princeton, N. J."

WALTER E. SPAHR,
Secretary of the Committee.

The Housing Problem

EXTENSION OF REMARKS

OF

HON. THAD F. WASIELEWSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. WASIELEWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorials:

[From the Milwaukee Journal of March 1, 1946]

WHAT'S WRONG WITH HOUSING

Lots of things are wrong with housing and are slowing us down in the attempt to meet the present acute shortage. Take coal furnaces manufactured by a prominent firm in Milwaukee, for instance.

The head of the firm has ordered that no more coal furnaces be shipped for the present. More than 400 have piled up already in the warehouse. Production has been ordered slowed down, so as not to tax warehouse facilities.

Why aren't the furnaces being sold? Because, the firm maintains, the OPA price ceiling is so low that the company loses money on the furnaces. The more it sells, the more it loses. That's the explanation offered.

This country operates on a basis of industry that must make a profit to pay wages and taxes. We can't expect manufacturers to sell at a loss for any considerable length of time. We shouldn't try to force them to do so.

But builders want furnaces for houses for veterans, and for others needing their own shelter. What are we going to do? The OPA should immediately go to the bottom of cases like this. If the ceiling is too low, raise it to allow a fair profit. If the ceiling is O. K. and the manufacturer is wrong, let the OPA cry it from the housetops. It is up to the OPA to break such bottlenecks.

[From the Milwaukee Journal of March 2, 1946]

WHAT'S WRONG WITH HOUSING?

Yesterday we talked about one thing wrong with housing, citing the case of a local manufacturer who has ordered no more coal furnaces shipped because he claims the OPA ceiling is too low to allow him to make a profit.

There are lots of things wrong with housing. Take labor costs, for instance. The other day a builder who has had many years of experience in our community checked over labor costs on small houses just completed. He compared these figures with labor costs on identical houses built in 1941. What do you think he found?

The labor cost now is twice what it was 5 years ago. Wage rates haven't gone up anything like that. Some advances have been about 50 percent, but most increases have been much less, percentagewise. Why has the labor cost of the house doubled, then?

Well, there is a lot of inexperienced and incapable help, for one thing. There is a lot of turn-over. There are men, some of them returned veterans, who work a few days, then quit. They simply don't want to stick to a job. And there are a lot of workers who got so used to loafing in war plants that they just can't do a fair day's work for a fair day's pay.

Then there are some who know building-trades workers are in such demand that they don't have to work hard. They reason the boss won't fire them, because he can't afford to. Anyway, these loafers aren't hurting the boss very much. He can sell all the houses he can build right now. But the buyers of these houses will be cheated. They won't

get their money's worth. It would be a good thing for the loafers to think this over—think it through. Many veterans are going to be cheated shamefully.

Nobody in the building trades can work himself out of a job the way things are now. Wages are the best ever. Employment is the steadiest in history and should be for a long time. Never was it more important that men building houses give an honest day's work for a good day's pay.

Many workmen are doing this. How about those who aren't joining in?

How Good Is Russia's Word?

EXTENSION OF REMARKS

OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Barnet Nover from the Washington Post of March 5, 1945:

HOW GOOD IS RUSSIA'S WORD?

(By Barnet Nover)

Long ago it became clear that when spokesmen of Soviet Russia employ such terms as "democracy" or "free press" or "self-government" or "free and unfettered elections" the meanings they give these words and phrases are frequently quite different from and sometimes the exact opposite of the meanings we give them.

For that reason the charitable view has been that Russia's failure to carry out what seemed to us the clear implications of certain of the agreements reached at Yalta, Potsdam, Moscow and other conferences was due not to bad faith but to uncertain language.

In this connection it was repeatedly said by those who had had dealings with the Russians that whenever they, and particularly their No. 1 man, Generalissimo Stalin, were induced to make a precise commitment that commitment was invariably and punctiliously carried out.

This charitable view of the way Russia carries out agreements needs pretty drastic correction in the face of what has been happening in Iran and Manchuria.

"Democracy," for instance, may be a vague term, vague enough at least by definition to make it possible for Pravda and the Moscow radio and Vgacheslav Molotov to claim that the governments in Rumania, Bulgaria, and Yugoslavia, not to mention Soviet Russia herself, are truly democratic.

But there cannot be any two-way interpretation of the term: "March 2, 1946." In the years since 1917 the Russians have carried out many revolutionary changes. With admirable restraint they have left the calendar and the multiplication table alone.

One and one are two in Russia as they are here. And in the Russian calendar as in ours March 2, 1946, was the second day of the third month of the year following the year numbered 1945, and no other day.

On January 29, 1942, Great Britain, Russia and Iran signed a treaty of alliance in which it was stipulated (art. 5) that:

"The forces of the Allied powers shall be withdrawn from Iranian territory not later than 6 months after all hostilities between the Allied powers and Germany and her associates have been suspended * * *

The last of Germany's associates to give up the ghost was Japan. She surrendered unconditionally and formally on September 2, 1945. This meant that the withdrawal of

Allied troops from Iran was to be completed by March 2, 1946.

Actually the reason for the presence of Allied troops in Iran disappeared after Germany's surrender in May 1945. That is why first Great Britain and later the United States sought to persuade Russia to clear out of Iran at an earlier date than the time fixed in the 1942 agreement.

The British proposal was made during the meeting of the Council of Foreign Ministers at London. Molotov's reply was haughty.

"I would like to tell you once again," he wrote Ernest Bevin, the British Foreign Secretary, "that in the case of the Soviet Government the question of withdrawing troops from Iran did not in general constitute a special problem inasmuch as there is a treaty which makes provision for it. I would ask you to bear in mind that the Soviet Government attaches exceptional importance to strict fulfillment of obligations undertaken."

Later, in reply to Secretary Byrnes' proposal that all foreign troops be removed from Iran by January 1, 1946, Molotov, after declaring that Russia "adheres unwaveringly" to the December 1, 1943, Declaration of Tehran in which Russia, Great Britain, and the United States promised to respect Iran's independence declared that:

"The declaration in question, however, does not affect questions of the number of Soviet armed forces on Iranian territory, just as it does not affect the question of the period of the stationing of Soviet troops in Iran. This latter is determined by * * * the Anglo-Soviet-Iranian tripartite treaty of 1942."

In this Soviet note reference was also made to the Russian-Iranian treaty of 1921 which provides for a temporary Russian occupation of Iranian territory in the event of other powers using Iran as a base for an attack on Russia. In his address to the United Nations Security Council, Andre Vishinsky, the Soviet Vice Foreign Minister, also mentioned this treaty.

It is, then, the Russian contention that Iran is being used as a base for an attack on the Soviet Union? Obviously such a contention is so nonsensical that even the Kremlin has not dared advance it. In fact all American and British troops have been withdrawn from Iran and the only troops still in occupation there are Russian troops.

Nonetheless, the circumstance that Russian spokesmen continue to cite the treaty of 1921 is ominous.

In Iran, as in Manchuria, a concrete, specific, and unequivocal pledge by Russia has proved to be without binding force.

The reason why Russian troops remain in Iran is that as long as these troops remain Russia has available a direct and immediate form of pressure on the Tehran government whose Premier is in Moscow negotiating a settlement.

The reason why Russian troops remain in Manchuria—they were to leave by February 1—is that the Kremlin wants to make Manchuria, China's richest region, the economic satrapy of the Soviet Union. In both cases Russian policy is sinister since it involves treating solemn pledges as scraps of paper.

A Letter From a Constituent

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include herein a letter I have

The tide will turn. The day of reckoning will come—perhaps not so soon as the more hopeful Lithuanians would like, but surely. "The mills of God grind slowly, but they grind exceeding fine." The heaven of freedom is forever working. Tyranny cannot endure. Injustice cannot prevail. And so the faithful folk of Lithuanian stock in America, celebrating the anniversary of their former liberation and reasserting their right to freedom, restating their indubitable claims to justice, have sound reason for their faith, their hope.

God grant that America and Britain, and all the rest of the freedom-loving nations of the world, stand steadfast for the freedom and autonomy of the Baltic States and peoples, as they have so far done; grant that there may be no wavering in their support of the rights of such small nations to liberty, and sovereignty over their own land and folk.

All honor to the faith, the courage, the patience of the Lithuanians, who dare so heroically to assert their rights; may they regain them all.

Housing Stabilization

SPEECH

OF

HON. HOWARD H. BUFFETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. BUFFETT. Mr. Chairman, an enthusiastic effort has been made to compare this subsidy scheme with the production subsidies that were used during the war. I think that comparison is worthless, because there is an entirely different problem involved.

During the war subsidies involved primarily basic materials, but this subsidy scheme involves finished materials, and if you want to know what this kind of a subsidy will do, I invite you to take a look at the butter-production figures for November and December 1945, and January 1946.

In those months butter, under so-called production subsidies, dropped to the lowest point since 1920.

In those months our butter production was less than half of what it was in the same months in 1941 and 1942. That is what production subsidies have done to an intricate price structure in finished goods, and that is what they will do to the building industry, because there are literally tens of thousands of different prices in the building industry.

The claim has been made that this subsidy will help small business. What has it done to the little fellow in the butter industry? Eight hundred and fifty small butter plants have been closed down. Twenty percent of the butter plants in this country have closed their doors. Which plants are those? Those are the little plants of small operators who have been squeezed out because of

the red tape and ramifications of this subsidy scheme.

This subsidy scheme would parallel the rebate system that Standard Oil was reported to have used with the railroads in the early days to squeeze out competitors. There is every reason to believe that this rebate or subsidy scheme would be used for political preference and special privilege by the bureaucrats today.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I wish to call the gentleman's attention to an article that appeared in today's Washington Post in regard to food. It might be interesting to the people who are subscribing to this subsidy program to note this, because next week they will have lots of tears for the farmers, that Anderson and Porter have announced that subsidies now being paid to the cattle feeders will be terminated on June 30.

Mr. BUFFETT. In other words, subsidies are an easy economic narcotic to indulge in, but are not so easy to eliminate after the habit has been established.

The way to get houses built is to eliminate the crippling red tape and regulations created by "Bottleneck" Bowles. His fumbling in OPA in the critical months since VJ-day have delayed housing for tens of thousands of veterans.

A Dangerous Amendment

SPEECH

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 20, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 3370), a bill providing for a permanent school-lunch program participated in by the Federal Government.

Mr. RANKIN. Mr. Chairman, it certainly did sound strange to me to hear a Member talking about lawyers' opinions when referring to bureaucrats enforcing their own mandates. How much attention do those bureaucrats pay to the law? Some of them think they make the law as they go.

This amendment, which is proposed by a colored Member is dangerous indeed. It provides that:

No funds made available pursuant to this title shall be paid or disbursed to any State or school if, in carrying out its functions under this title, it makes any discrimination because of race, creed, color, or national origin of children or between types of schools or, with respect to a State which maintains separate schools for minority and for majority races, it discriminates between such schools on this account.

That is the exact language used in the Communist platform, and its purpose is to stir up race trouble throughout the Southern States. That trouble may not come immediately, but it will come sooner or later, if this provision is adopted.

What they mean by "discrimination" is the segregation of the races. They want to destroy our separate school system and try to force Negro equality on us. They are doing the white people of the South immeasurable injury and the Negroes of the country infinite harm by stirring up race trouble in this way.

We have a problem down there that you people in the North do not have. We have got along with it as no other people on earth would have done, and we are having peace; but every once in a while somebody comes in to try to stir up trouble and put dynamite of this kind into legislation passed by Congress.

If you adopt this amendment, do not deceive yourselves, it means trouble throughout the Southern States sooner or later. Every State in the Union is financially better off now than the Federal Government. If we are going to put this kind of poison into that legislation, we had better stop this Federal aid to schools altogether.

Let me read you something. I have in my hand a letter from an organization known as the Jewish War Veterans. Now, do not begin to whine "anti-Semitism," because I am reading from this letter from the Jewish War Veterans. Here is what they demand. The letter states:

Your remarks regarding the resolution by our organization—

Listen to this—requesting that Government funds under the GI bill of rights be denied any college or institution of learning which discriminates against any veteran because of race, color, creed, or religion or country of origin

That is the same language contained in this amendment.

This group of Jews would deny the benefits of the GI bill to every white veteran south of the Ohio River. I wonder what would have happened if those brave men from the Southern States had failed to do their duty in this war, and we had depended upon these Jews to do all the fighting.

This is the same communistic stuff that has come in here from time to time from certain sources.

I notice two Members from Washington, Mr. DE LACY and Mr. SAVAGE, laughing. They seem to think it would be funny to thus punish the white servicemen from the South by this communistic method.

There would not be a single white college south of the Ohio River that would get a dollar under the GI bill of rights if this communistic provision were written into the law.

Let me ask Mr. SAVAGE and Mr. DE LACY, do you think that would be just to those white men who marched and fought for the benefit of this Nation while you were safe at home?

Do you think it would be fair to deny to the white soldiers of Mississippi, Alabama, Georgia, Texas, Kentucky, Missouri, or any other State any benefit under the GI bill just to gratify the malignant hatred of a few Communists who want to stir up race trouble throughout the country?

It would also deny assistance to Negro schools of the South. You had not

thought of that. You do not give a darn about the Negroes. These Communists who are stirring up this trouble do not give a tinker's dam about promoting the welfare of the Negroes. They just want to stir up trouble.

This provision, if written into the GI bill, would deny to the Booker Washington School, which is exclusively for Negroes, at Tuskegee, Ala., a single dollar.

As chairman of the Committee on World War Veterans' Legislation, I have succeeded in enlarging the facilities at Tuskegee in order to take care of those disabled Negro soldiers in their own institution, instead of crowding them into our white hospitals, as these Jewish War Veterans would have us do.

Such an amendment to the GI bill would deny a single dollar to the Negroes in Alcorn College in Mississippi, which is exclusively for Negroes. But what do the leaders of this front organization, calling themselves the Jewish War Veterans care for that?

They would deny assistance to the white ex-servicemen in the University of Mississippi, my own alma mater, they would deny assistance to the ones in the State colleges of Mississippi, Alabama, Texas, Kentucky, Virginia, and all the other Southern States.

These so-called Jewish War Veterans would deny them a single dollar under the GI bill; and I am afraid the same thing will be attempted against our white children of the South if this crazy provision is left in this bill.

Mr. Chairman, the best thing we can do is to send this bill back to the committee, and if these elements insist on planting this dynamite in it, thus punishing the white people, as well as the Negroes of the Southern States, then I say we better have none of this legislation at all.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

A Vital Human Document

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include herein an article by Harry H. Schlacht which appeared in the Boston Daily Record, Boston, Mass., under date of March 4, 1946:

A VITAL HUMAN DOCUMENT
(By Harry H. Schlacht)

We have observed the one hundred and fifty-seventh anniversary of our Federal Constitution.

It was on March 4, 1789, that the first session of the Federal Congress under the Constitution was held in Federal Hall, Wall and Nassau Streets, New York City.

God bless our Constitution.

It is a charter of our fundamental laws.

It is a living, vital, human document with a soul and a spirit.

It expresses the hopes and yearnings of the great heart of America for the life, liberty,

and the pursuit of happiness of all her people.

It is the anchor of our safety and the bulwark of our security.

It is the mighty fortress of our liberties and institutions.

Its sublime philosophy was born and lived and practiced by men in past ages.

Its seeds were planted in Athens 25 centuries ago.

It continued its growth through the various governments of Rome.

It survived the persecutions and blighting influence of the Middle Ages.

It started to bloom with the Magna Carta and later with habeas corpus.

It finally came into full fruition in the definite provisions of our Constitution.

It was the inspiration of our early settlers.

It was the beacon light of Washington and the founding fathers.

It is the touchstone that illuminates the paths of future generations.

We have been devoted to our Constitution.

We know that wise men conceived it.

We know that strong men administered it.

We know that brave men fought for it.

We know that heroic men died for it.

There are some who refer sneeringly to our Constitution.

They say it is obsolete and outdated.

They say, "You can't eat the Constitution."

Our answer to this contemptible insult to our great charter of human rights is, "No, and neither can you eat the Ten Commandments nor the Sermon on the Mount."

If the time comes when the American people shall no longer be inspired by the teachings and admonitions of the two great tenets of the lowly Nazarene, the liquidation of our civilization will soon follow.

Let us now and evermore reaffirm our faith in our Constitution.

Let us rededicate ourselves to the task of ever preserving it.

Let us ever cherish our precious heritage.

Let us remember that our fighters for freedom gave life to it and their lives for it on all the flaming battle fronts.

Let there be a national observance of the Constitution's adoption as urged by the Hearst newspapers.

Let us heed the words of William Randolph Hearst to set aside a Constitution Day to give all American citizens an opportunity to make public declaration and demonstration of our reverence for the great document whose provisions protect our liberties and preserve our Republic.

St. Lawrence Seaway

EXTENSION OF REMARKS

OF

HON. THAD F. WASIELEWSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. WASIELEWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Milwaukee Journal of Saturday, March 2, 1946:

WATERWAY—A RUSSIAN SCHEME!

Now we've heard everything.

Even the St. Lawrence waterway project is a deep, dark Russian plot. Those wily Muscovites want it built so they can pour Russian coal into this country and put our miners and railroad workers out of jobs.

In all seriousness, this is what Thomas Kennedy, secretary-treasurer of the United Mine Workers of America, asserted before the Senate committee studying the seaway proposal.

"The seaway is right down the Russian alley and is made to order to tie into the Russian plan," he proclaimed.

We don't know which Russian plan Mr. Kennedy is speaking of. There have been so many. The last one we noted was Stalin's extended program to build the Soviet industrial economy to unheard of heights, a program that would take all the coal the Russians could mine for a long time.

If there has ever been an American project, conceived by Americans for the benefit of Americans, it is the St. Lawrence waterway. The Russians have probably given as much thought to it as we have to the dredging program for the upper Volga River.

But at the moment there are people in this country who get the willies whenever Russia is mentioned. So hanging the Russian tag on the good old St. Lawrence project—which we've been talking about for a quarter century—might help defeat it. It must be admitted there is no trick the seaway enemies will not try.

Sh-h-h, don't tell anyone, but the Russians have other plans for the waterway. They are going to use it to flood us with vodka, and then bury us in caviar.

Grave Emergency Faces Nation—Newspaper Predicts That Selfish Bloc Will Picket Congress on Housing

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cleveland Press:

President Truman's bold and imaginative program to build 2,700,000 new houses in 1946 and 1947 will dump into the lap of Congress a problem that is sure to develop a great deal of opposition on some of its details.

Most likely point of controversy: the proposed ceiling on the selling price of building lots and all houses, new or old. Yet the wild inflation already disastrously developing in this field calls for drastic action of some kind.

The current inflation in real estate represents purely fictitious values, the result of excessive demand operating upon limited supply. In the end everybody suffers, for when the boom attains its peak, as it inevitably must, it becomes a bust in almost the same breath. The peak buyer loses his shirt, the mortgage holders lose theirs, taxing agencies reap empty tills. Only the fellow who sold at the peak has any profit, and 99 times out of a hundred, unless he gages the sale to the split second, he loses his gains by having to pay inflated prices for everything he buys. Real estate is usually the first to inflate and the first to bust.

With millions of ex-service people unable to find decent housing accommodations, or any whatsoever, decent or indecent, and with millions more still to be discharged, the housing situation has become an emergency matter with a capital E.

Many of the "lucky" ones are paying through the nose for what they can find, whether they buy or rent.

"Take care of them," said General MacArthur, speaking of the men who won the war, as Japan surrendered. The Nation has an obligation to discharge, not merely implied but implicit, in the GI bill of rights.

That hopeful measure hasn't been of much help to service people because inflated values and the next-to-impossibility of getting labor and materials have made a mockery of it in the field of housing.

Property owners will resent the fixing of ceilings on lots and houses. Real-estate interests will yammer about governmental interference in private enterprise. Constructors will fight proposed emphasis on prefabricated houses.

But after all is said and done a grave emergency faces the Nation, and Homeric remedies for desperate situations are provided by the public welfare clause of the Constitution. Selfish blocks will picket Congress, but if Congress is keeping its ear to the ground it will pay more attention to the distressed cries of the homeless than to the pressure groups, for once in its recent life.

The Housing Bill

EXTENSION OF REMARKS OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. JENSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram:

WASHINGTON, D. C., March 4, 1946.

HON. BEN F. JENSEN,
United States Congress,
Washington, D. C.:

In the last 24 hours, officials of the Government have issued a series of irresponsible statements. These statements are so general and so broad that it would take several days to answer them. The retail lumber dealers of the United States are at all times willing to discuss fairly the reasons and cures for the housing shortage. The retail dealers have either been deprived of a hearing or have been ignored on the few occasions that their views have been made known to administrative officials. We appeal once again for a chance to be heard on a nonpartisan basis. We do not want inflation, but we do want building materials and the immediate construction of homes for veterans. The retail lumber dealers do not believe that the Patman bill will accomplish these purposes. The Buffett amendment, if attached to the Wolcott substitute bill, will come closer than any legislative proposal that has been made to accomplish these ends. The Wolcott substitute without the Buffett amendment is not acceptable. If subsidies are required for any purpose we want to know how the money is going to be used to increase production of building materials and erection of homes before any endorsement can be given.

No one in the administrative departments or on the floor of Congress has justified the expenditure of \$600,000,000 in subsidies and furthermore, no one in the executive departments and on the floor of the Congress has explained just how these subsidies are to be doled out. We honestly believe that the subsidy proposal is a substitute to relieve OPA of its responsibilities to grant on a selective basis reasonable price adjustments to manufacturers of building materials, and that it will create inequities which will further curtail production. The administration now has authority to make subsidy payments through RFC, therefore let the administration explain before the Appropriations Committee how much it needs and for what products. This is not a partisan issue. We represent 23,000 retail lumber dealers in the United States and these retail lumber dealers represent every possible shade of political think-

ing. This association has not and will not engage in politics. The members of this association are normally responsible for more than 75 percent of the individual homes constructed in the United States, and every one of the members of this association stands ready to appear before the administrative departments of the Government and before the committees of Congress to give the reasons for the housing shortage and to explain what measures are necessary to correct it. We believe that Mr. Patman's proposal will not accomplish its alleged purpose and that the veterans who are the next-door neighbors of the retail lumber dealers will soon find this out if this bill is passed.

NATIONAL RETAIL LUMBER
DEALERS ASSOCIATION,
H. R. NORTHRUP,
Secretary-Manager.

How Much Shall We Lend?

EXTENSION OF REMARKS OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. REED of New York. Mr. Speaker, the total gross debt and contingent liabilities of the United States Government now totals \$636,898,220,145.98. The total owed to the United States by foreign countries as of July 1, 1945, was \$14,791,340,307.53. Great Britain presently owes us from previous war—World War I—a principal amount of \$4,368,000,000 together with unpaid interest of \$2,047,664,782.58, or a total now due the United States from Great Britain from transactions prior to World War II of \$6,415,664,782.58. All of these debts are a crushing load that must eventually be borne by the taxpayers of the United States, if past experience is to be any guide to the future.

A billion dollars is difficult to realize or visualize. A homely illustration may give a faint idea of the magnitude of the present obligation which this generation and future generations must pay by the sweat of the brow. If a \$1,000 bill were to be placed on the pavement alongside of the Empire State Building in New York, and then other \$1,000 bills placed upon the first bill until the pile of \$1,000 bills were as tall as the Empire State Building the pile of \$1,000 bills would amount to \$1,000,000,000. It may be the idea of the New Dealers, so adept in the repudiation of promises and in the making of promises which cannot be fulfilled, to finance the socialistic government of Great Britain. What an anomaly to ask a capitalist country to finance a socialistic program in an effort to prove that socialism is a success while its capitalistic supporter is a failure.

Under leave to extend my remarks in the Appendix of the RECORD, I ask unanimous consent to insert an editorial from the Wall Street Journal of March 5, 1946. The title of the editorial is: "How Much Shall We Lend?"

HOW MUCH SHALL WE LEND?

It is possible to construe the first public report of the National Advisory Council on International Monetary and Financial Prob-

lems, which President Truman approves, as an effort on the part of this Cabinet group to limit the American Government's foreign loans yet to be made to about \$7,000,000,000. The chief questions the report puts before Congress are: (1) If the recommended loans are made, can the Government's lending stop there? (2) Will these "loans" in truth be loans or gifts?

To begin with, limitation as implied in the report applies only to transactions before June 30, 1947. Governmental intentions and policies beyond that date are left open. The Council and President Truman urge that Congress extend the \$3,750,000,000 50-year credit to Great Britain but leave all other lending of the public funds to the Export-Import Bank, which would have authority to lend to a total of \$4,750,000,000, of which loan resources Congress has already put \$3,500,000,000 at its command. An additional lending authority of \$1,250,000,000 for the Bank is requested. Its then permitted maximum of loans, together with the British credit, would come to \$8,500,000,000.

In addition, the United States is committed to provide \$2,670,000,000 of the working capital of the Monetary Fund and \$3,175,000,000 of the capital of the International Bank, bringing existing and proposed commitments up to \$14,425,000,000. Our subscriptions to Monetary Fund and International Bank are not immediately payable in full. The President's covering letter with the Council report treats \$950,000,000 of the Fund contributions as a "non-cash item," since it is to take the form of non-interest-bearing Treasury certificates. But the governors of the Fund may demand that these certificates be converted into dollar credits. Only 10 percent of the Bank's capital allotment is expected to be called for before June 30, 1947, but the remainder is a contingent liability.

The program of the Advisory Council and the President thus contemplates further loans, credits, and capital advances of roundly \$13,000,000,000—the \$14,425,000,000 above mentioned less the Export-Import Bank's commitments already made, which on December 31, 1945, amounted to \$1,559,000,000. These loans and contributions would be made step by step during several coming years. In a different category is the Government's further expenditure through UNRRA of perhaps \$1,000,000,000, yet this is also a draft upon the United States Treasury.

All these projected transactions mean purchasing power for the borrower nations, the larger part of which will be exercised in this country. The resulting stimulus to our export trade is emphasized; the Advisory Council says: "Only by the reestablishment of high levels of production and trade the world over can the United States be assured in future years of a sustained level of exports appropriate to the maintenance of high levels of domestic production and employment." But the Council does not neglect to stress political aspects of the program. It says, "Economic stability will foster peace" and speaks of "the main objective of the foreign economic policy of the United States, which is to lay the economic foundations of the peace."

Throughout the Advisory Council's report runs the assumption that contemplated loans are to be investments, on which interest shall be paid currently, the principal of which is eventually to be returned. It describes the Export-Import Bank as considering, among other things, "the capacity of the borrower to repay." It speaks of the time "when net repayment begins, whether this be in a few years or many decades from now." It says nothing about willingness or unwillingness of borrowers to repay, though these are to be mainly inter-government transactions. Since the end of World War I we have seen governments repudiate their obligations to other governments; we now see them coming back to the same lender for new loans.

Loans of this sort are political transactions in more senses than one. When serv-

ice of a foreign loan imposes upon the people of the debtor nations an unwelcome degree of "austerity," a government which would fulfill the contract obligations can be deposited. Intergovernment loans made among belligerents during a war—such as our \$41,000,000,000 of lend-lease assistance—are rightly regarded as the lenders' contributions to a common war effort. Postwar government borrowers will assuredly argue hereafter that lend-lease and loans after the fighting were the same in nature—that both were means to equality of sacrifice in the struggle to free mankind from tyranny. We have lately heard many Britons assert that the United States is at least \$6,000,000,000 in arrears of its just share in the material sacrifice made by the United Kingdom alone.

So we had better ask ourselves some questions like these:

1. Can we suppose that any major part of the loans our Government may now extend will be repaid, or that such repayment as is made will not engender a sense of wanton injury of the weak by the strong?

2. Are we willing to donate the larger part or the whole of \$13,000,000,000, or whatever the total may ultimately become, to assist the outside world in its economic rehabilitation?

3. Would the drain of the world's needs concentrated upon our resources, added to the drafts made upon them by the war, impair our long-term ability to play our needed part in expanded world trade while adequately meeting our domestic requirements?

4. Would the contemplated loans strengthen or weaken the will of other peoples to help themselves?

5. Is it wise and sound national policy to subsidize our export trades, if the contemplated loans will not surely serve the other purposes ascribed to them by their advocates?

We submit that at the root of these grave issues lies the fact that the proposed loans would be intergovernment transactions. We believe that the good and useful purposes which their proponents say they would serve would be better served by speeding up the International Bank, with special attention to its functions as guarantor of loans from private investors to credit-worthy private borrowers.

We think the record is clear that intergovernment loans in peacetimes serve neither peace nor economic progress.

Abuses in Veterans' Hospitals

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Inquirer of March 3, 1946:

VETERANS' ADMINISTRATION HOSPITAL ABUSES

Early last year Representative PHILBIN, of Massachusetts, made charges of inefficiency and callous treatment of veterans in veterans' hospitals. At that time the Veterans' Administration was still under the direction of Brigadier General Hines. Some of his defenders in Congress indignantly denied the Philbin charges.

Now a special veterans' subcommittee of the House has announced a series of findings after an investigation, and noteworthy among them is one that it found "some cases of beatings and mistreatment of patients in

certain Veterans' Administration hospitals."

This is partly attributed to inefficient personnel and officials who formerly could not be removed except under elaborate processes; assignment of soldiers and other untrained personnel as hospital aides as a war emergency measure and a certain amount of "administrative inflexibility and complacency."

Without doubt there are "many loyal and hardworking staff members," as the committee says, who have done their best to cope with "an increasingly grave emergency and meet the needs of the sick and disabled." This is not a blanket accusation against faithful and conscientious workers, who are touched by the spectacle of brave soldiers who have suffered for their country's cause.

But the most adequate measures must be taken, especially in neuropsychiatric hospitals, to prevent a recurrence of such abuses. General Bradley should be given specific authority to hire and fire Veterans' Administration employees. The committee urges creation of an independent board of review to hear complaints relative to operation of hospitals and treatment accorded veterans. These and all other steps necessary should be taken without delay.

The Cost of Strikes

EXTENSION OF REMARKS

OF

HON. THAD F. WASIELEWSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. WASIELEWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Milwaukee Journal of Thursday, February 28, 1946:

MORE ON THE COST OF STRIKES

The last 6 months has brought the most dramatic illustration of the cost of strikes that the country has seen in many years.

Figures compiled by the United States News, a privately published weekly on national affairs, show that in the first 6 months of "peace" 63,000,000 man-days of production were lost, \$560,000,000 in direct wages were lost in struck industries, and unemployment caused in other industries (because of the strikes) cost many more millions. Unfilled orders run into billions, and loss of sales commissions runs into hundreds of millions.

In the auto strike, the company offered 13.5 cents an hour increase and the union agreed to accept 19.5 cents. The first 13 weeks of the strike cost each worker about \$650. At 6 cents an hour—the differential in dispute—it would take the strikers 5 years and 3 months to make this up. In steel, the spread was less. The strike netted 3 cents an hour over what was offered. Even though the strike was brief, each worker will require 2½ years to make up the \$195 that was lost.

Since September, electrical workers have lost 53 million dollars; bituminous coal workers, 30 millions; lumber and meat packers, 19 millions each; AFL machinists in the San Francisco bay area, 36 millions; glass industry workers, 9 millions.

The argument is sometimes made that this is unfair computation, because, even though the strikers lose money, there are other gains; also, that the total gains to all labor must be taken into consideration. Whatever may be said for these factors in ordinary times, in the present postwar reconversion period it is a pretty safe guess that the total loss from reconversion delay, in all industry in the country, far surpasses any gains that the strikes have brought or will bring to labor.

Our national reconversion program has really been thrown out of gear—set back at least 3 months, says John D. Small, Administrator of Civilian Production, and our industrial production, he adds, has hit a new low since the spring of 1941, because of the strikes.

It is not suggested that employers were all angels, or that they do not bear some responsibility for the strikes. But the preponderance of evidence indicates that labor could have won pretty nearly a 15 percent increase across the board in the struck industries by bargaining to the limit without strikes.

Contrary to charges of some labor leaders, there is no evidence that industry generally took part in any conspiracy to smash the unions and reduce wages. Rather, it may be said that industry proposed, more than it had for some years, to assert what it conceived to be its rights in collective bargaining rather than accept, without bargaining, everything that labor demanded.

Substantial wage increases were expected by the public and were offered by management. It becomes increasingly clear that the union leadership which forced the disputes to a strike stage, with a few exceptions, was unwise, both for memberships involved and for the whole country, in this difficult reconversion period when we should have gone full speed ahead.

Look Who Is Wearing "Sockless Jerry's" Shoes

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from a Philadelphia paper of February 20, 1946:

LOOK WHO IS WEARING "SOCKLESS JERRY'S" SHOES

We can't tell for sure whether "Sockless Jerry" Simpson wore socks or not.

His opponents said he didn't.

But we do know where he stood on economics. "Sockless Jerry" was a political product of the post-Civil War period. He was a member of various minor parties—Greenback, Union Labor, People's Party. He was finally elected to Congress from Kansas. He was one of the phenomena William Allen White had in mind when he wrote his famous editorial, What's the Matter With Kansas?

Simpson was for inflation, for practically unlimited amounts of paper money. He wanted prices to go up, but fast.

We also know who has stepped into "Sockless Jerry's" economic shoes—the National Association of Manufacturers.

The NAM says it's against inflation.

But what it advocates is removal of all price controls on manufactured goods.

It wants prices to go up before they go down.

With price controls off, the NAM reasons, production would go up and prices would come down "within a reasonable time."

But the NAM doesn't say what it means by a "reasonable time." It doesn't say what would happen to the wage earner in the meantime.

And it doesn't say what would happen to the NAM members in the meantime. We know. They'd be making money faster than "Sockless Jerry" wanted the Government to run the printing presses—while the wage earner would have a hard time buying shoes.

Man.

6

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 39

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 7, 1946, for actions of Wednesday, March 6, 1946)

(For staff of the Department only)

CONTENTS

Appropriations.....11	Farm program.....9	Labor.....8
Education.....5	Feed shortage.....4,10	Price control.....13
Farm organizations.....12	Food conservation.....2	Reclamation.....3
Farm prices.....7,8	Health, public.....6	Subsidies.....7
	Housing.....1,13	

HIGHLIGHTS: House debated Patman housing bill. Rep. Gross endorsed Secretary Anderson's food conservation plan. Rep. Herter inserted Department's statement summarizing legislation on agricultural programs. Rep. Canfield explained Department's position in feed situation and inserted farm organizations' correspondence.

SENATE

NOT IN SESSION. Next meeting Fri., March 8.

HOUSE

1. HOUSING. Continued debate on H. R. 4761, the Patman housing bill (pp. 2014-37). Agreed, 209-174, to an amendment to strike out the provision for investigations (p. 2033). Agreed, 249-134, and 246-134, to amendments striking out the provisions for price ceilings on existing houses (pp. 2033-35). These amendments had previously been agreed to in the Committee of the Whole. Provision for subsidies had previously been stricken from the bill.
2. FOOD CONSERVATION. Rep. Gross, Pa., endorsed the food conservation plan proposed by the Secretary and former President Hoover (p. 2012).
3. RECLAMATION. The Irrigation and Reclamation Committee reported without amendment H. R. 5654, to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation (H. Rept. 1683) (p. 2039).
4. FEED SHORTAGE. Received a Grain and Feed Dealers National Assn. petition with reference to cooperative tax exemption and the difference in methods of taxing cooperative corporations and private corporations (p. 2040).

BILLS INTRODUCED

5. EDUCATION. H. R. 5683, by Rep. Pace, Ga., to authorize the appropriation of funds to assist the States and Territories in more adequately financing their system of public education, and in reducing the inequalities of educational opportunities through public elementary and public secondary schools. To Education Committee. (p. 2039.)
6. PUBLIC HEALTH. H. R. 5685, by Rep. Rogers, N. Y., to provide for the national health and productive power of the people of the U. S. by clarifying the laws pertaining to hospital treatment, medical care, domiciliary care, and related services. To the World War Veterans' Legislation Committee. (p. 2039.)

ITEMS IN APPENDIX

7. SUBSIDIES. Rep. Mason, Ill., inserted a Chicago Tribune editorial criticizing the present Government food-subsidy policy (p. A1250).
Rep. Smith, Wis., inserted a Janesville (Wis.) editorial analyzing the subsidy situation and concluding that "the Government is operating on a false basis when it attempts to maintain high standards artificially by the use of taxpayers' money" (p. A1234).
Rep. Rees, Kans., inserted a Country Gentleman editorial opposing food subsidies (p. A1229).
8. FARM PRICES; LABOR. Rep. Curtis, Nebr., inserted an American Farmers Vigilante Committee resolution urging increases in farm prices in proportion to wage increases (p. A1217).
9. FARM PROGRAM. Rep. Herter, Mass., inserted this Department's statement summarizing legislation relating to programs for the benefit of agriculture and including financial tables indicating the size of Government expenditures for these purposes (pp. A1219-22).
10. FEED SHORTAGE. Rep. Canfield, N. J., explained this Department's position in the feed situation and inserted farm organizations' correspondence reporting the feed shortage in N. J. (pp. A1249-50).
11. APPROPRIATIONS. Extension of remarks of Rep. Hoffman, Mich., pointing out that Federal supervision and regulation follow Federal appropriations, including a Grand Rapids (Mich.) Herald editorial pointing out the degree in which farms are affected in England by the socialistic trend (p. A1231).
12. FARM ORGANIZATIONS. Rep. Anderson, Calif., inserted the letter from the Calif. Farmers Union giving its reasons for severing its relationship with the National Farmers Union (p. A1251).
13. PRICE CONTROL. Extension of remarks of Rep. Mundt., S. Dak., recommending "constructive improvements to the basic legislation authorizing the OPA" (p. A1222).
Rep. Spence, Ky., inserted John D. Small's and Ralph E. Flanders' statements before the House Banking and Currency Committee favoring extension of OPA (pp. A1235-6, 1236-8).
Rep. Angell, Oreg., inserted a court decision relating to the violation of ceiling prices on livestock (p. A1244).
14. HOUSING. Speech in the House by Rep. Wolcott, Mich., explaining the provisions of his amendment to provide for a housing Expediter (pp. A1242-3).
Speech in the House by Rep. Case, S. Dak., urging the removal of price ceilings on building materials to remedy the housing situation (pp. A1248-9).

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BLOOM asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post of yesterday.

Mr. WORLEY asked and was given permission to extend his remarks in the RECORD and include a telegram from an American Legion post.

PERMISSION TO ADDRESS THE HOUSE

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

[Mr. NORRELL addressed the House. His remarks appear in the Appendix of today's RECORD.]

CORRECTION OF RECORD

Mr. BIEMILLER. Mr. Speaker, the RECORD of March 4, 1946, on page A1149, contains an error in the spelling of the name of a county clerk certifying a resolution which was included in an extension of my own remarks. I ask unanimous consent that the RECORD may be corrected to show the proper spelling.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and to include an editorial, and also to extend his own remarks in another instance.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include two communications from the California Chapter of the Farmers Union.

PERMISSION TO ADDRESS THE HOUSE

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PEACE, IT'S WONDERFUL

Mr. DIRKSEN. Mr. Speaker, it will soon be 7 months since VJ-day. Since that time I have been noting a few headlines:

Fighting continues in Indonesia.
Anti-British rioting in Egypt.
Anti-British rioting in India.
Soviets despoil Iran.
Soviets pillaging and killing in China.
Soviets demand investigation of charges that British are attacking Indonesia.
Soviets endeavor to force return of refugees to their homelands.
De Gaulle resigns.
Canada charges Soviet secret effort to secure military secrets.
Terrorism in Palestine.

Yalta secrets only now being divulged.
Bevin tells Commons that terrorism is an instrument of national policy in Poland.
Soviets take over Austrian oil fields.
Occupation of Germany beset with cleavages.
Soviets attempt to curtail MacArthur's power.

As I read Churchill's speech, I could only think: Peace, it's wonderful.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE HOUSING BILL

Mr. HOFFMAN. Mr. Speaker, if the House passes the bill to provide homes for the veterans, it has been said here on the floor that there will have to be some lumber transported. A word of warning and of caution should be uttered. Probably the teamsters will have to draw that lumber. If it should happen that someone in the country who does not belong to Dan Tobin's teamsters' union wants to take a load of lumber to town, it might be well if we could get rid of the union charge where they put a union man to ride on the wagon or truck, or at least one must pay a day's union wage or charge or fee in order to use a public highway. My purpose is to suggest to another great body sitting in the Capitol, that it should not be unduly hasty about getting out the Hobbs bill, which was sent to them on April 12, 1943. Undue haste on their part might cause apoplexy.

The SPEAKER. The time of the gentleman from Michigan has expired.

EXTENSION OF REMARKS

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

PERMISSION TO ADDRESS THE ADDRESS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

DON'T DUMP SUPPLIES IN PACIFIC!

Mr. CASE of South Dakota. Mr. Speaker, the Washington Daily News today carries the headline: "Army gets green light to dump Pacific supplies. A dispatch from Manila. Hundreds of millions of dollars of obsolete or unserviceable American military equipment will be dumped into the sea in the next few months. The items run all the way from machine guns and light tanks to 20 millimeter automatics and will include many types of Chemical Warfare, Signal Corps and engineering equipment."

Mr. Speaker, this equipment should not be junked or dumped into the Pacific. It should be sold or delivered to the Chinese upon whatever terms we can get. China needs all kinds of equipment. China can use this equipment and it would be good business for the United

States to see that she gets it. She will agree to pay for it, and in the meantime we will get orders for repair parts and vast good will. Let China have these supplies. Do not dump them in the Pacific.

The SPEAKER. The time of the gentleman from South Dakota has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of today's RECORD.]

PERMISSION TO ADDRESS THE HOUSE

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

VEST POCKET CONGRESSIONAL DIRECTORIES

Mr. WHITE. Mr. Speaker, in the 12 years I have been a Member of this House, a very important little publication has been made available to the Members of the House. It is a vest pocket Congressional Directory, giving the names of the Members and their committee assignments. It was one of the most convenient little publications that has come to my attention, put out by the Government. For some unexplainable reason, the Joint Committee on Printing has failed to bring out this little vest pocket directory this year. I cannot understand any policy of economy by the members of the Joint Committee on Printing that would deny Members a chance to get acquainted with their colleagues and know their committee assignments.

The SPEAKER. The time of the gentleman from Idaho has expired.

EXTENSION OF REMARKS

Mr. D'ALESSANDRO asked and was given permission to extend his remarks in the RECORD and include a recent address made in Baltimore by the Most Reverend Lawrence J. Sheehan, auxiliary bishop of Baltimore and Washington.

PERMISSION TO ADDRESS THE HOUSE

Mr. OUTLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

JAMES ROOSEVELT

Mr. OUTLAND. Mr. Speaker, I listened with interest to the remarks made by the gentleman from Mississippi [Mr. RANKIN]. I was astounded to hear an attack made on this floor upon a man who not only has a splendid record in the past war but is the distinguished son of a most distinguished father. I say I

was astounded, but under the circumstances I was not particularly surprised.

It seems to me that the time has come when anybody who disagrees with the gentleman from Mississippi [Mr. RANKIN] is automatically a Communist. It matters not who he may be, or how honorable a person he may be, so long as he is not in complete accord with the gentleman from Mississippi. I will say to him that Jimmie Roosevelt stands for the highest principles and the basic ideals of the Democratic Party and there are a lot of us here on the floor and elsewhere who are going to stick with him in fighting for those principles. Even the gentleman from Mississippi is powerless to stop us.

The SPEAKER. The time of the gentleman from California has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

VEST POCKET CONGRESSIONAL DIRECTORY

Mr. BULWINKLE. Mr. Speaker, the gentleman from Idaho, [Mr. WHITE] spoke about the little pocket directory. If the gentleman will just go to the clerk's desk he may obtain the printed list of the Members any time. Here are three different kinds and I will give these to the gentleman.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. RICH. We are only trying to save a little bit of money, and that is the reason the committee did not print that document this session. We will do it next year.

Mr. BULWINKLE. That is right. By the way, we are going to cut down on some other things, too.

The SPEAKER. The time of the gentleman from North Carolina has expired.

EXTENSION OF REMARKS

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the RECORD and include a statement by Alfred Bayless, director of the Lincoln High School Band of Canton, Ohio, which has been submitted to the Canton City Board of Education relative to James Caesar Petrillo.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include some recommendations made by the merchants of South Dakota for changes in the OPA.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include a letter and several telegrams.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD and include a newspaper article and a letter.

PERMISSION TO ADDRESS THE HOUSE

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

POWER POLITICS

Mr. SAVAGE. Mr. Speaker, this is an entirely different world than it was before the war. If we are going to be able to maintain permanent peace, which the people of the world so much desire, the three great powers, Russia, England, and the United States, are going to have to live together. I think it is very unfortunate that a man who made a great record in the war comes out asking for power politics to start lining up again. I am sure that request will not prevail. We will not have a war with Russia. We will not have to fight her unless we deliberately pick a fight, and we are not going to do that.

Our common interests with Russia are much greater than any differences we might have. We are fully conscious that Russia has been a great ally and we are also fully conscious of the fact that had Russia lined up with Germany and Japan instead of with the United States we would have lost millions of our boys and perhaps would have lost the war. I am sure that the request of the gentleman from England will not prevail in the world. The world wants peace and can only get it by settling its differences across the table, not by power politics.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SAVAGE. I yield.

Mr. BARRY. Does not the gentleman think Russia has been indulging in power politics since the end of the war?

Mr. SAVAGE. Russia wants to guard her security. The United States is going to guard her security by obtaining possession of certain islands in the Pacific. Russia is doing the same thing. Why should we criticize Russia for doing that which we ourselves intend to do? The effectiveness of the United Nations Organization will be nullified completely if we again resort to a line up of power politics.

Let us lay old prejudices aside long enough to win the peace.

CALL OF THE HOUSE

Mr. FOLGER. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 41]

Andrews, N. Y.	Dawson	Jackson
Arnold	Domengeaux	Jarman
Baldwin, Md.	Fisher	Judd
Baldwin, N. Y.	Fuller	Kelley, Pa.
Beall	Gardner	Kilburn
Bland	Gary	Knutson
Bonner	Gearhart	Landis
Buck	Gossett	Luce
Byrne, N. Y.	Hale	McConnell
Cannon, Fla.	Hall	McGregor
Cannon, Mo.	Edwin Arthur	McKenzie
Celler	Harness, Ind.	Mansfield, Tex.
Chapman	Henry	Mills
Clark	Herter	Morrison
Cole, Kans.	Holifield	Murphy
Curley	Holmes, Mass.	Norton

Peterson, Ga.	Reece, Tenn.	Stigler
Powell	Rivers	Sumner, Ill.
Rains	Robinson, Utah	Thom
Randolph	Schwabe, Mo.	West

The SPEAKER. On this roll call 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. MONRONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY:

Page 5, line 23, before the word "have", insert "or housing accommodations completed and existing before the effective date of this act where bought or sold for speculative purposes."

Page 6, after line 13, insert the following: "(b) Any regulation or order issued under authority of this title establishing maximum sales prices for housing accommodations in existence and completed on or prior to the effective date of this title shall establish as the maximum prices the price of the first bona fide sale of such housing accommodation after the effective date of this title. For the purpose of this section, no regulation defining speculative sales shall include any housing accommodation in which the owner has occupied as his bona fide home for a period of not less than 6 months."

Mr. BROWN of Georgia. Mr. Chairman, I make a point of order against the amendment. In section 704 we struck out the provisions for ceilings on existing homes. We have completed that section and have even gone so far as to vote on a substitute bill. The effect of the gentleman's amendment is to place ceilings for 6 months on existing homes. We defeated an amendment to place ceilings on existing homes for 12 months, the life of this bill.

The CHAIRMAN (Mr. COOPER). The gentleman from Georgia [Mr. BROWN] makes a point of order against the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY]. Of course, it should be borne in mind that the entire bill is open to amendment to be offered at any time. The amendment now offered by the gentleman from Oklahoma is in different form and in different language than the previous amendment offered by him.

The Chair overrules the point of order.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. MONRONEY. Will this be taken out of my time, Mr. Chairman?

The CHAIRMAN. It will be.

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent that the gentleman may have two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MONRONEY. I yield to the gentleman from California.

Mr. HINSHAW. The Chair has stated that the entire bill is open to amendment. Does that include committee amendments already adopted? Will they be open for further amendment?

The CHAIRMAN. Committee amendments that have already been adopted cannot be amended.

Mr. HINSHAW. That is exactly what I wanted to know.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 7 minutes.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, when Mr. Wyatt outlined the four minimum requirements that he had to have in the housing bill, he specified that he needed the power of allocation of materials and the right to break price bottlenecks where price ceilings were interfering with the production of materials. That has been pretty well granted him in this bill by action of the House.

The No. 2 requirement that he asked for was that title VI of the FHA be extended to include the construction of new homes for war veterans. That has been placed in this bill by amendment.

Two other things that he said were musts, 50 percent of the program that he asked of the Congress as being his minimum tools with which to do this job of getting adequate housing for our war veterans, at this point, are not in the bill.

I fear if we pass this bill without giving him at least a further portion of the minimum requirements he has asked for, the Congress will be charged by those outside with having labored for 8 days and brought forth a mouse. I do not believe that a 50-percent bill is going to be the answer that the veterans of this war have a right to expect from the Congress of the United States.

It was argued when the original Patman provision for placing a ceiling on existing homes was up for discussion that some way, somehow, the fixing of a price ceiling at the point of the next sale might interfere with some war veteran or some citizen who had bought a residence for his own home and had unfortunately found he had to be transferred away from that locality, and that then he would be forced to sell his home at below the existing market.

This amendment is offered in the sense of a compromise. It is aimed at only one thing, and that is at speculation in American homes, the speculation that is taking the price of existing homes up, up, up, every day and costing war veterans as they return a thousand or two thou-

sand or three thousand dollars more for existing homes.

Unless you pass some amendment to stop in some way this Florida real-estate boom that is going on now in the prices of America's 27,000,000 existing homes today, the veterans will not have a chance to buy a home at anywhere near a reasonable price.

I recited before several instances in my own city where homes that had originally been built for \$3,000 and \$4,000 before the war are now selling for \$7,000 and \$8,000 and \$9,000 as a result of present speculation and inflationary pressure on these homes.

This amendment tries to stop the spiral of speculation. It also tries to answer the argument that many made here to protect the man who buys a home in good faith as his residence.

After he lives in it for 6 months he is not bound by any ceiling whatsoever. If he is transferred away from town or for any other reason, he can sell this home if he has lived in it for 6 months without any ceiling on his home.

My sole hope is to slow down this spiral of speculation and inflation. It will help the folks at home as well as the returning veteran.

What about the other millions of people of America? They are not going to be helped a bit by a ceiling on new homes because those are all channeled into the hands of veterans. The 2,700,000 new houses you hope to build in 2 years is only 10 percent of the existing pool of houses. Now, can you hope to hold down, as any reasonable man would want to hold down, the prices that veterans and workers will have to pay on homes if you have a ceiling on the new houses, only 10 percent of the houses of the Nation?

As a matter of fact you will have a ceiling on only 5 percent for the next year even if we reach our goal, and after that you may have a ceiling on an additional 5 percent.

It is a question of whether the Congress is going to be willing to do the necessary thing to try and get homes at a reasonable price for the war veterans when they come back. If you are in favor of speculation in American homes, if you are in favor of pushing the prices up, up, up, so the veteran or the person on low income cannot hope to have a home, then vote against this amendment.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. VOORHIS of California. If I understand the gentleman's amendment correctly the only effect it would have would be on the purchase of homes for purely speculative purposes. Is that correct?

Mr. MONRONEY. Largely for speculative purposes. I may say that I anticipate that most of the homes that are bought and sold within 2, 3, or 4 months, houses that are constantly changing hands at a price increase of \$1,000 or \$2,000 each time, will be brought under control of this act as speculative sales.

I do not believe Congress wants to approve runaway speculation that is occurring all over the country in almost the same volume it occurred during the Flor-

ida real estate boom. Many people are practicing this real estate brokerage game of buying a house today, holding it for a few days, and then selling it to a war veteran at an increase of \$1,000 or \$2,000 over the price he paid for it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, we have been considering this bill now for over a week. We had this identical principle up the other day for discussion and debated it for more than a day. The question was whether or not the Congress of the United States wanted to put ceilings on existing homes. By overwhelming vote we turned down that proposition.

In effect what the gentleman's amendment suggests is that we try this out for 6 months instead of a year. You will freeze homes so the veterans cannot buy them. After the first sale this proposed amendment would prohibit the owner of a home from selling it for more than he paid for it, therefore you would freeze it. Now, why is not a man entitled to the market value for his present home? What makes the market value of a home? It is replacement cost, which is highly due to the advanced cost of materials and labor.

Mr. Chairman, we have in this bill a ceiling on materials and we have a ceiling on new homes, which will to a great extent control prices on existing homes. Now, to employ thousands of agents to run around the country spying on 40,000,000 home owners, would result in irritating the people, and the little saving that would result would not compensate for the inconvenience to the people of the United States.

Mr. Chairman, the people want to get back to free enterprise just as soon as they possibly can. We have a good bill and I think the bill should be enacted just as we have it. Do not jeopardize its passage by putting in a lot of little damaging amendments like the pending one. Let us vote all amendments down and get through with the bill. If we are going to continue to amend each provision we will be here three weeks longer and finally have nothing.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, an OPA ceiling on houses would simply discourage the building of houses in the same way and for the same reason that the production of strategic materials, without which you cannot build a house, has been discouraged by the same OPA.

You know the sad story of how the OPA has driven out of production bricks and lumber, and there is not time to tell you that the same story can be told for almost every strategic and vital material necessary for the building of houses, such as synthetic boards, clay products, castings, windows, sidings, roofing, plumbing, even such things as washing machines

and furniture woods. The Bible warns us not to build a house on sand, yet the OPA fixes it so there is no other material available.

Mr. Chairman, one reason why Mr. Bowles castigates the Congress and pretends that the Wyatt housing program is necessary is because he needs an alibi. He wants the Congress to help cover up. But you cannot go home and persuade your people that anything suggested here is going to help the housing situation because Mr. Wyatt has all the power he needs at the present time and he is not lifting the OPA restrictions. Every community in the United States swarms with people who know that from their own personal knowledge.

The OPA formula for reconversion specifically prevents industry from getting increased ceilings on their products high enough to cover increased costs. Today you cannot get a ceiling to cover a necessary product in your business which you have to buy from a new source where the old source has been dried up or is not available. Because of refusal of OPA to cover increased costs and to permit increases in order to cover additional costs there is no reconversion in the United States. Industry after industry is coming down to OPA and proving incontrovertibly by the records and estimates of reliable accounting firms that at the end of this year they will have gone into the red. The stock market is going down worse than at any time since 1937. If there is no lifting of OPA restrictions, we are going to head into a great unemployment period, and price ceilings on homes simply means that the veteran, when he has to move around to find employment, will not be able to get work to buy his home. He will not be able to get the costs that he put into his home. He will not be able to get the cost of replacing the house he has sold. For that matter, all you have to do today is look at your newspapers in the foreign policy section and see how the stupid New Deal policy toward Russia is reaching its ultimate, inevitable conclusion, and you begin to believe all that the veterans of World War II need is temporary housing.

Mr. BARRY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, about 21 years ago, right after I finished college, a professor friend of mine sold me the idea of going down to Florida and witness the Florida land boom and earn enough money in a short time to go through law school. So I did, and I stayed there for a year. In the cities of Palm Beach and West Palm Beach, Fla., in a period of 6 to 8 months, I saw the same thing occur there that is occurring in Florida today. On the main street of the town of Palm Beach, along that beautiful drive, Royal Palm Way, that leads through the town, the price of a front foot went from \$600 in a period of 6 months to \$2,500, and the price of houses, not only in Palm Beach, but all around that Florida countryside, including the small towns, doubled and tripled, and about a year later the inevitable crash came which broke thousands and thousands of people not only in Florida, but all over the Middle West and even some people in California. At the same time, on Long Island, where I

come from, we had a boom in the Rockaways that equalled the Florida boom, and thousands and thousands of more people went broke the following year. Then came the stock-market crash in 1929.

This amendment proposed by the gentleman from Oklahoma [Mr. MONRONEY] proposes no ceilings at all on a house where a buyer lives for 6 months. Is it not reasonable to assume that the millions of people who are looking for homes today, the GI's who have been overseas and elsewhere, will live in a home they buy for at least 6 months? In that event you have one free sale after the passage of this bill, with no ceiling, and if the GI lives in the House for 6 months he can sell it without any ceiling. This bill merely proposes to slow up inflation which is taking place. Out on Long Island today, in the county of my distinguished colleague and neighbor, the gentleman from New York [Mr. LEONARD W. HALL], the prices of homes that were built 6 and 7 years ago for \$7,500 and \$8,000 are now selling for \$14,000 and \$15,000, and similar situations prevail all around this country. These houses that we are going to build and put ceilings on for veterans will be bought, and they will relieve the housing shortage to some extent. Those who cannot afford to buy homes at the prevailing prices today might have an opportunity to buy the homes of those who buy these new homes, if we keep prices down. But if we permit this inflation to continue, the new homes will not help the veterans a single bit, because a great majority of them are not in a position to buy houses at the prices that exist today.

Therefore, I urge you not to consider this amendment in the light of the Brown amendment, because you would not put on ceilings of any kind where any buyer lives in a house for a 6-month period.

Mr. Chairman, I feel it is necessary to prevent inflation, I feel it is necessary to help the veterans, and I hope the Committee will adopt this amendment.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last 2 words.

Mr. Chairman, this amendment was offered in the committee and defeated in the committee. I think it was defeated in the committee because it was recognized that it was not workable. Under the provisions of the bill, if this amendment is adopted, then everyone, before he can possibly sell any real estate, any real property, whether he has lived in it for 6 months or 60 years, must go to Mr. Wyatt and get clearance on the sale before he can ever contract for the sale of that property. You will so bog down the real-estate market in America that you will have a shortage of homes resulting from the very confusion which this amendment would incite.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Would not the words about requiring clearance from Mr. Wyatt be all that was necessary, because it would be 6 months or 12 months before you would get the clearance?

Mr. WOLCOTT. Yes, that is probable.

There is not nearly as much speculation in real estate as you might think. If you claim there is an opportunity for speculation in real estate you are arguing against the necessity for this bill, because people are buying homes today to live in. They must have a place in which to live.

Let me tell you of a case which came to my attention the other day. A neighbor told me that his son came in and said, "Dad, why don't you sell this house? You can get \$5,000 more for it than you paid for it back in 1938." The father said to the son, "Where would we go to live?" That is the answer, "Where would we go to live?" If he sold the old home for \$5,000 more than he paid for it, where would that family go to live? Of course, they would have to buy another home. It is almost impossible to rent one. They would have to buy a new home. The new home would cost them so much more, whether it was built under this bill or built independently of this bill, as to eat up all of the profit they would have made. No, people are buying homes today to live in, not to speculate in. Of course, there may be occasional instances where there is speculation, but if there is a necessity for homes today, that necessity itself controls the speculative market.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. MAY. Let us assume that the pending amendment is adopted and becomes the law, and that a veteran buys a new house under a ceiling of \$6,000 and pays \$6,000 for it. Then he finds at the end of 6 months that he must move away, go somewhere else. Could he sell the house then, under this amendment, for more than \$6,000?

Mr. WOLCOTT. No; because of the other language in the bill he already has a ceiling on his home and of course it is the ceiling which would control.

Mr. MAY. Then he has to stay at home or rent?

Mr. WOLCOTT. Yes.

There is another very important thing. Can he add improvements? A veteran buys a home and adds \$1,000 in modernizing the bathroom or the kitchen or putting on a new roof or something of that nature. Can he add that to the sales price? Try to get an increase in rent today based upon improvements in the home, and they will tell you, "No, brother, that is just current maintenance." So we are not doing the veteran any favor by freezing this market to the extent he cannot turn over his property for what he paid for it plus what he has put into it to make it livable. That is not doing him any favor at all.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. VOORHIS of California. As I understood the explanation of the author of this amendment, all such a veteran would have to do would be to live in that house for 6 months and then he could

add the cost of those improvements to the price. Is not that correct?

Mr. WOLCOTT. That would be true if it is an old home. But if that veteran had purchased a home constructed after the effective date of this act, then the ceiling which you wrote in the bill yesterday would apply and he could not sell that home above the ceiling after he lived in the house for 6 months even if this amendment were placed in the bill.

Mr. VOORHIS of California. I believe the other provisions of the bill would take care of that problem.

Mr. WOLCOTT. No; the other provisions of the bill prevent the sale of the house above what he paid for it.

Mr. OUTLAND. Mr. Chairman, I move to strike out the last word.

(Mr. OUTLAND asked and was given permission to revise and extend his remarks.)

Mr. OUTLAND. Mr. Chairman, I think it is very important that we have clearly in mind what this particular amendment does because it is very limited in scope and covers only a very small field. The committee a few days ago voted down a proposal to place ceilings on existing houses. I thought at the time that while it might cause a considerable amount of difficulty to place such ceilings, still it was the lesser of two evils. But the committee voted against such a proposal. The amendment of the gentleman from Oklahoma is much more limited in scope than that. What it says in essence is this. If you buy a house and live in it for 6 months, that 6 months' residence is ample proof in itself that you did not buy it for speculative purposes. The fact that you have occupied it as your own domicile for that time is in itself to be taken as evidence. The gentleman from Michigan expressed the hope that the existing conditions would prevent speculation because there was a shortage of houses and people need houses. Granting that, then this amendment will not do any harm in any way because if a person really needs a home he is going to stay there. He is not going to buy it and then try to turn it over the next day or the next week at a profit. That is all this particular amendment aims to do. It is aimed to encourage home buying and home owning. It is intended to discourage speculation. It will help the veteran and it will help the nonveteran alike who are trying to secure homes at a more reasonable price. I am unable to see any logical reason against the amendment whatsoever. I do agree with the gentleman from Michigan that it is going to involve a certain amount of bookkeeping. Unfortunately, that is true; and to that extent, it is a disadvantage. But the advantages which are going to accrue by the prevention of this rapid turn-over, such as the gentleman from New York [Mr. BARRY] mentioned, seem to me will greatly outweigh the disadvantages.

I yield to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. If I paid \$3,000 originally for my home, but I could get \$15,000 for it at this time under present market conditions, what would be the

price that I could ask for the house under this amendment if I have lived in the home for 6 months?

Mr. OUTLAND. If you have lived in the house 6 months, you can ask any price you want to.

Mr. BENDER. That is, the price would be fixed so that \$15,000 would be the money that I could get for it?

Mr. OUTLAND. You could get any amount it is possible for you to get as long as you have personally occupied the house for that period of time.

Mr. BENDER. Then what would happen if I were to sell that house?

Mr. OUTLAND. You mean, what would happen to the person who bought it from you?

Mr. BENDER. Yes.

Mr. OUTLAND. If he lived in the house for 6 months, then that would be assumed to be his legal domicile, and after 6 months he could sell the house for anything he wished. I repeat the point I brought out a moment ago, that the amendment is certainly not a perfect one, by any means. It is intended to slow up this rapid turn-over in real estate for purely speculative purposes. That is all in the world that it does.

Mr. BENDER. Does not the gentleman feel that we would be encouraging inflation if we legislate so that \$15,000 can be obtained for a house that is only worth \$3,000?

Mr. OUTLAND. I think we would be encouraging inflation more without the amendment, I will say. As things are now, there are no checks at all upon it. This would be at least a small check upon speculation.

Mr. BENDER. Frankly, under the circumstances, could not the seller make a representation to the buyer that that property is worth that price by a ceiling, say, of \$15,000, when in reality the value of the house never exceeded \$3,000?

Mr. OUTLAND. Yes. I think probably most of us have had experiences similar to that right now since coming back to Washington, where real estate values are as greatly inflated as any place in America.

Mrs. DOUGLAS of California. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield gladly to my distinguished colleague from California.

Mrs. DOUGLAS of California. Is not the amendment an attempt to check inflation, at least by 6-month stages instead of having inflation go forward from hour to hour as the bill is now written?

Mr. OUTLAND. Exactly so. As I said a moment ago, it is intended to slow up the inflationary process. It does not stop it. However, it is better than nothing.

Mr. ERVIN. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. ERVIN. In the last analysis, is not the proposed amendment based upon the theory that all home owners of America need a guardian?

Mr. OUTLAND. No, I do not think so. I think it is based upon the theory that those men who are returning after fighting the war shall have a chance to buy a home at a reasonable price and not

at a speculative price like so many of them are going to have to do, unless we in this Congress take constructive steps.

I would like to say one thing more in reply to the gentleman from Michigan [Mr. Wolcott]. He mentioned that this measure was brought up in committee and was defeated. This measure was brought up in committee and it lost by a tie vote. I hope the amendment by the gentleman from Oklahoma will be adopted.

The CHAIRMAN. The time of the gentleman from California [Mr. Outland] has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. BARDEN. Mr. Chairman, reserving the right to object, I want 5 minutes of that 30, and I do not know how many others want time.

Mr. HINSHAW. Mr. Chairman, reserving the right to object—

The CHAIRMAN. Is there objection?

Mr. BENDER. Mr. Chairman, I object.

Mr. SUNDSTROM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to this amendment. In the first place, I have found from talking to real-estate brokers that the main thing the veteran is looking for is a home. Real-estate brokers have difficulty in locating these homes. If we pass an amendment which will stop all these houses being sold unless the owner has lived in it for 6 months, there would be just that many less homes available to the veterans.

I was in the office of two real-estate brokers over the last week end. I asked them how the houses were sold and at what prices. Many of them were being sold at less than they cost to produce some years ago. Secondly, they gave me a list, and said, "There is practically no home that comes in here at a reasonable price that we cannot sell within a week or 10 days." But he said, "I want to show you a list of homes for sale." He took me to a file and showed me the list. They had many homes there for sale at reasonable prices that had been on that list anywhere from 6 months to a year and a half. I said, "It is strange that you cannot sell those homes when they are listed at good prices and you have the demand." He said, "The truth is those homes are not lived in by the owners." No man today, with all the OPA restrictions, will think of buying a home unless it is lived in by the owner, because if it has a tenant it takes 6 months to get him out, and then you have to go to court to get him out after that. So far as this amendment is concerned, it will not increase the supply. It will diminish the supply for these veterans that we hear so much talk about.

This matter came up in committee. It is simply a subterfuge to endeavor to put ceilings back on old houses. Now, they talk about speculation. I asked the proposer of this amendment in committee,

"If you can give me a good definition of speculation, I want to know what it is." I do not want the OPA or anybody else to tell me whether a \$500 profit or a \$1,000 profit is the difference between honest and dishonest dealings.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. BUFFETT. Is it not true that if we fix a price on these houses in this fashion it would open up the whole field to great wildcat operation and speculation, in selling furniture in the home as antiques, and evading the regulations in a thousand different fashions?

Mr. SUNDSTROM. I am glad the gentleman brought out that point because it was my next subject.

I should like to have someone define for me what it is to live in a home for 6 months. You people are all acquainted with politics, you know how a legal residence is necessary for voting—at least it is in my State. Leave a pair of shoes, a suit of clothes hanging some place, or a stick of furniture. Does that constitute a home?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. RANKIN. The danger of this amendment is that it will prevent the sales of homes at all, and keep the veterans, as well as others, from buying homes at all.

Mr. SUNDSTROM. I agree with the gentleman. Just one further statement about this matter of a home. All a person needs to do is leave a pair of shoes around some place, or a suit of clothes, or a stick of furniture in a place to start dealings on the black market.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. CUNNINGHAM. As I understand it, under the present long-term and short-term capital gains tax, a man who buys a house and sells it within 6 months pays a much larger tax than if he held it for just beyond 6 months. What does this amendment do but just lumber up a situation that is bad enough as it is and make a lot more red tape to bog the whole thing down?

Mr. SUNDSTROM. I thank the gentleman for his contribution.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. SMITH of Ohio. If a man sells a house within 6 months he pays a tax on 100 percent of any profit he makes.

Mr. SUNDSTROM. It goes right in his regular income.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. CRAWFORD. I wish someone from the great Southwest would answer that question, someone from a part of the country where they are experienced in this proposition of filing on land and proving up a homestead by living there for so many days, months, or years. Let those men of experience who have the law on their side tell how easily the provisions of this amendment could be circumvented if somebody wanted to do it.

People from the Southwest understand that language.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BARDEN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. BARDEN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. BARDEN. Mr. Chairman, when I listen to men like the gentleman from Oklahoma [Mr. MONRONEY] or the gentleman from California [Mr. OUTLAND] discuss an amendment such as the one just introduced by the gentleman from Oklahoma, I cannot help but wish that I had either more sense so I could understand their philosophy of government, or less sense so it would not worry me.

Now, I am going to tell you something. The American people have gone through a lot of pushing around the last few years, and if it is for the good of their country they will go through it again; but I want to tell you this, you sometimes forget: They will fight you over their homes. They will fight you, and do not forget that, when you begin to tinker with their homes. They are not going to sit down and let some two-by-four OPA boy, housing boy, expeditor boy, or somebody else come around and define what their home is, how long they have lived in it, and how long they can stay in it.

You are forgetting the fact that we had a war about 25 years ago, and I, together with some millions of others, was involved in that war. Now you are developing a lot of hysteria around here and you want to run over and trample on the boys who came out of that last war and have tried to scramble along and maybe accumulate a little something and get on their feet to where they can educate their children and pay for their homes. They are now in disrepute because they own a home.

There are certain people in this House who do not advocate the ownership of homes. They think the United States Government should build, own, and control homes. They want to represent the group that just floats around and has no pride in a home. They are interested in getting something that someone else has worked for and accumulated. I do not like that philosophy and I believe it is dangerous. I believe we ought to recognize it in the very beginning and stamp it out and not let it go around the corner before we recognize it.

I want to say something with reference to the pending bill and if I am wrong I want somebody to deny it. We passed the veterans' loan bill here. What is wrong with that? We provided money to make loans. What is wrong with that? We set up the OPA to protect prices and that agency is regulating them. What has happened to that? We set up the Civilian Production outfit to allocate materials and they are allocating 40 percent of the materials right now for veterans' homes. If those three bureaus, together with Federal Housing, are not functioning, I say bring them be-

fore the proper committee and kick their pants off and not keep piling one bureau on top of another, without ever trying to make the machinery already provided work.

Anyone can brand me whatever they please. But this is the kind of common sense I picked up while traveling from a North Carolina cornfield to the Capitol in Washington.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. May I say in reference to the GI bill, as it is presently constituted, every home that a veteran buys must first be appraised by an appraiser appointed by the United States Government, and he cannot buy a house at a figure beyond that. Is that not protection to the veteran? If you pass this bill it is going to scuttle that program in the GI bill.

Mr. BARDEN. Mr. Chairman, of course you will, and who knows but what that is intended. They even have power in this bill authorizing Mr. Wyatt to issue directives to or against the Veterans' Administrator. But no one has dared to mention that power. I want to say that the Government is an expensive builder. Some of the same fellows that you are fixing to put into this outfit built 700 houses in one spot down in my district, and even in the present inflated market I challenge any man to go down there and sell one of them for 60 percent of what it cost the Government to build them.

Mr. Chairman, that is not the trouble. It is not inflation they are crying about. I wish it was. We are about to get to the point that the cost of building a house, including the labor cost and the material cost, which has labor cost piled into it, is so high that the man who is doing the work objects to paying the price of his own labor. There you are. Why not meet this issue squarely and quit trying to fool our veterans by trying to make them think they are getting something good when we know that is not correct. The Monroney amendment should be defeated.

Mr. TABER. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, it is difficult for me to see how the gentleman who proposes the pending amendment can have anything in mind except to prevent the people of this country from being housed. Just look at what it does.

Up in my country, and I know of many other places where the same thing applies, the immediate principal source of new homes is the reconstruction of old houses, building them into apartments so that they can take care of more people and take care of them better. The only obstacle in the way of that at the present time is the foolish operation of the OPA rent control. That ought to be tempered.

We should not place a ceiling upon houses at a figure of what someone might buy them for now, without allowing any increment based upon improvements that may be placed in them. That is just what this amendment would accomplish. It would prevent anyone who went to

work and reconstructed a house from getting his money out of it. In other words, it would prevent the housing of the American people.

Why do these people continually try to place greater restrictions upon the development and construction of houses through the OPA and through this organization than we now have, thereby preventing the construction of additional houses?

Let us build houses. Let us give the people a chance and they will take care of this situation and take care of it quickly. But when you have such foolish restrictions that only 2 by 8 lumber can be turned out for studdings, when 2 by 4 is what the people need, and it has to be planed on both sides, and they charge 8 cents a foot when they would not otherwise charge more than 5, it just cannot be done. They should be allowed to make 2 by 4's the way they used to. Why we should have such restrictions as that, which builds up the cost and particularly the construction of houses, I cannot understand, and why we should bring in destructive amendments designed to prevent the housing of our veterans, I cannot understand.

That is just what this amendment and this bill will accomplish.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that debate on the bill and all amendments thereto close at 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HINSHAW. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I move that debate on the bill and all amendments thereto close at 4 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 92, noes 42.

So the motion was agreed to.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when the ceiling was put on used motortrucks some years ago, the used motortrucks went right off the open market. Almost none of them was offered for sale through the normal channels, but if you wanted to buy a used truck you had to pay the ceiling price and then buy a full-blooded red rooster for about \$800, or an ancient, antique piano bench, or something like that, to make up the difference in price between what the owner of the truck thought it was worth to him and the ceiling price of the OPA. Now if you are going to put ceilings on old homes like this, what you will cause the owners to do is to sell some antique furniture or some red roosters on the side as a separate deal. You will not affect the situation one iota. If the owner declines to make such a deal he is very likely to just outwait the 6-months period. If what you want to do is to place a ceiling on homes which is fair and equitable and anti-inflationary and anti-black market, then the thing to do is to place the ceiling on the basis of an independent appraisal, not a Government appraisal; an

independent appraisal which would include the current reproduction cost of the premises less depreciation and obsolescence. No one could complain then that he had paid or received too much or too little.

You put a fixed price ceiling equal to the price of the first sale after this bill is passed, on old premises and all you do is cause the wildest inflation, through encouraging an inflationary black market, and all the other evil practices to escape those ceilings. The American people do not like restrictions. They love to get around restrictions. They think it is a kind of game. But if you give them a fair deal they will go for it and support you every time.

I tried to tell the committee the other day that these practices could not be sustained. Let me call your attention to the fact that in the real estate market today the homes that are offered for sale will not be purchased if they are occupied. Why? Because even if they are owner-occupied you cannot always get the people out. I had a letter the other day from three veterans, brothers, who purchased a house from a woman. When title was delivered they wanted to get possession of the premises. She said, "I am not moving," and she could not be moved. She is still in the premises, although the veterans have bought the house. The OPA is going to set a rental ceiling which these boys that bought that house can now collect, but they can't get into the home they have purchased because of OPA.

If you want to free up the situation in real estate, then the thing to do is allow the normal laws of the community to operate. When property is sold to a veteran, that veteran should have the right to go in even with the aid of the sheriff if necessary, and occupy the premises he has bought.

This is all very naive discussion that some of the Members have been engaging in here on the floor today. They apparently do not understand the business.

In my home city in California the city fathers told me that there are between 500 and 800 dwelling units that are now vacant and unoccupied. Why? Because the people who own the property and who had tenants there were so glad to be rid of the tenants that they did not want the property to be occupied by anybody else. They just let it sit there idle. They are afraid of letting destructive and obnoxious tenants into the premises. They will not rent their property. They would rather let it sit there and pay taxes than to suffer the damages caused by destructive tenants who can neither be evicted nor forced to repair the damage.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It is not only the disagreeable tenants that they are up against, it is the actual economic loss, wherein the cost of operating is more than the income.

Mr. HINSHAW. Let me give you a case right on that point. There is a little woman who is the wife of a gardner that lives in my town, who has a little

three-room house in the rear of their own home which she rented to a couple who were supposedly working. They had two children. That couple moved with their two children into that three-room house, at an \$18 a month rental. The first thing this woman knew, there were about seven additional adults and five more children living in those premises. Every one of the adults was working. Altogether they earned about \$1,500 per month, as I remember the story. They would leave the premises in the morning and lock the door and go out and leave the kids in there locked up until the adults came back from work. You can imagine the mess those kids created. It cost her \$300 to clean and fix those premises up when she finally got those people out.

Mr. Chairman, the administration says it is absolutely necessary to have included in the housing program \$600,000,000 for subsidy payments in order to carry out their full program of aiding the building of 2,700,000 new housing units in the next 2 years. They say, in effect, that they need this huge subsidy fund in order to subsidize those manufacturers of lumber and other building materials who are shut down because they cannot manufacture and sell their products, except at a loss under the OPA ceiling prices. The administration does not say it in exactly those words, because they do not want to admit that any manufacturers of building materials as well as manufacturers of a lot of other things are shut down because of OPA regulations, but it is true, nonetheless. All you have to do to learn the truth about that matter is to walk into any lumberyard or builders' supply house, or into almost any independent retail store. The racks and shelves carry some fancy articles that sell for high OPA ceiling prices, but there is almost a complete absence of the standard low-price stuff that used to be manufactured in large quantities at very small margins. That goes for lumber and underwear and work clothes, and a great long list of things one could buy anywhere before the war and OPA.

So, the administration says it needs \$600,000,000 to pay subsidies to those manufacturers of building materials that cannot do business because OPA ceilings are set below cost on their products. A fine thing. Let us see what \$600,000,000 of the taxpayers and bond buyers money would do: If you divide \$600,000,000 among 2,700,000 homes it comes out to be \$222.22 per home. The average home built under the provisions of this bill will probably cost around \$6,000 to \$7,000. Let us assume the average cost will be \$6,000. What percent of \$6,000 is \$222.22. A short problem in simple arithmetic reveals the answer to be 3.7 percent. So 3.7 percent of the cost of each home is what all the fuss is about.

Now let us see how that amount of money affects the purchaser of a \$6,000 home under the FHA finance plan that is set up for the veterans' homes. In the first place, the cost of building the home can easily vary 5 percent one way or the other, depending on the weather and the delivery of material on time, and on the skill of the building trades craftsmen employed, and on all kinds of factors and conditions that affect the building busi-

ness. In fact, if the contractor could be absolutely assured of getting all of his material delivered on time, and that there would be no trouble with labor, and no difficulties with the subcontractors and their materials and labor, he could absorb that 3.7 percent himself and even cut the price further to boot. In fact, one of the biggest single items of expense to a contractor in recent years has been the cost of delays in getting materials. Contractors whom I know personally, and with whom I have dealt in the past, tell me that they have to estimate the expense of delays as high as 15 percent of the cost of the job, and have had it run higher than that. So 3.7 percent of the selling price is a relatively small percent of the cost these days, and it could be absorbed easily if the builder could be assured of no delays.

Now, let us take the distribution of costs that go to make up a selling price of \$6,000, and for that purpose assume that the builder hires his own sales force, and does his own advertising, and that he pays the cost of an abstract of title or policy of title insurance, that he absorbs his fire and casualty insurance, and so forth. We will assume that 5 percent will cover all that expense of a miscellaneous nature. Then we have the following as a more or less typical set-up subject to variation:

1. Cost of sale, title, insurance escrow, mortgage guaranty, etc.....	\$300
2. Cost of land, including street paving and curbs, sewer main, street lighting, 220-volt power line, gas main, storm drain, sidewalk.....	800
3. Cost of house and garage, material, labor, and subcontracts.....	4,000
4. Grading and driveway and landscaping, and front walk.....	200
5. Office overhead, supervision, taxes on real and personal property, social security, workmen's unemployment compensation insurance, unemployment compensation, building inspector's fees, building permit, architectural services, risk of delay, risk of faulty workmanship, expense of arranging for loan approval and mortgage, priorities and allocations, etc., compensation to the builder for his own work.....	700
Total selling price.....	6,000

The foregoing tabulation does not include all the miscellaneous complex factors that enter into the business of home-building, and my approximation of the allocation of costs are necessarily only approximations, as I do not have figures immediately available from an actual home-building job. But I think that I am fairly close in the allocations I have made.

Of the \$4,000 cost of materials, labor, and subcontracts, I estimate that about 40 percent, or perhaps less, is actually for building materials of all kinds, including those furnished by subcontractors. About 50 percent will be paid to all crafts of building-trades labor and 10 percent to truckers and subcontractors, and so forth, for expense and profit to them.

The actual building material cost is therefore around \$1,600, but that is the price paid to the lumberyard and builders' supply houses, the plumbing and

electrical supply houses, and so forth. The price they charge the builder includes their warehousing costs, their office and yard expense, freight charges, insurance, and all kinds of taxes, and so forth, so that the price actually paid to the producer—the original manufacturers of building materials—may be as little as \$1,200, perhaps a bit less. Of course, the manufacturer pays his labor and all the rest of his force, his taxes, and so forth.

Now we get down to the meat of the manufacturers and subsidies proposed to be paid by the Government. We have seen that the average amount of subsidy per house to be paid to the manufacturers of the building materials used is \$222.22, which is 3.7 percent of the completed selling price of the house. We see now that \$222.22 is actually a subsidy to the manufacturer of building materials of 222.22/1,200 or 18.5 percent. It may be 20 percent if the producers are paid net as low as \$1,111.10 for the materials, free on board plant.

But the ceiling prices on building materials are not all of them too low. Some of them are plenty high—others are not too high—others are right at the break-point, while others are a bit low and some are far too low. I do not have a tabulation of building material prices and costs. There are literally thousands of items. I will venture a guess that the manufacturers ceiling prices on at least half of the materials used in building a house are at, or above the break-point. If that be true, and it is I believe a fair guess on my part, then the manufacturers of about \$600 worth of material per house, would be receiving about a 35-percent subsidy on the average—some more and some less. To me, that sounds utterly fantastic. If this is what Mr. Wyatt has in mind, somebody's head should be examined.

The gentleman from Texas [Mr. PARMAN] has explained to us that these subsidies are for the purpose of encouraging the marginal producers to produce building materials in order to gain increased production of such materials. The marginal producers in this period of heavy demand are those manufacturers who can't manufacture certain building materials under existing OPA ceiling prices, and pay their labor and expenses. Can anyone expect any manufacturer to produce any items and sell it at a loss? Furthermore, why should the administration expect a manufacturer who may be making an over-all profit, to manufacture unprofitable items and take a loss on them. That is silly on its face, and anyone who would think such a thing to be reasonable ought to try riding on a cloud. The items that must be sold at a loss just will not be manufactured—that is all—and no one has a right to expect such a thing of anyone. I am surprised that such a thought could be entertained by supposedly sane men. Unfortunately, there are men today who intentionally would wreck our industrial system—and too many such men are policy makers in this administration.

Now, let us see where the rackets and political racketeers come in on this proposed subsidy program, a program which is said to be for the purpose of opening up manufacturing plants that are shut

down because OPA ceiling prices on their products are too low. Supposing you were the Government subsidy dispenser, or just a good political friend of his, and another good friend came along and said, "Say, Bill, I know where we can buy a good building material manufacturing plant cheap. It is shut down and they are about to go broke. How about some subsidies if we buy it and open it up?" My, oh my. What a beautiful racket that could be. I am willing to wager that there are not a few political racketeer mouths watering—yea—slobbering for this subsidy program. The very vigor used by administration forces, men brought up in the ways of machine politics, in advocating this subsidy program indicates their thirst for it.

But that is not all that can be done with it. There is that little matter of not using the word "subsidy" in the amendment offered by my good friend from Oklahoma. I feel quite certain that he submitted the amendment at the request of someone downtown. His amendment used the words "premium payments," which were proposed to be made for what he called "conventional and new types of building materials." Give attention to these words—and particularly the words "new types of building materials." To me, the words "premium payments" can mean "bonus." Do Mr. Wyatt and the boys propose to pay out part of this \$600,000,000 as bonus money for the production of new types of building materials? My, oh my, just think of the beautiful rackets in that game that could keep well fed on \$600,000,000.

No, my friends. If \$600,000,000 is to be used as advertised, it would amount to a subsidy to manufacturers of \$222.22 per house on about \$6,000 worth of material. It would be cheaper in the long run to pay \$822.22 for it now, by applying selective adjustments in price ceilings if that is the amount required. I am willing to make a guess which is every bit as good as Mr. Wyatt's guess, and mine is that the subsidy program, if adopted, will produce more rackets and fill more politically smart pockets than it will build homes for veterans at lower prices.

If the veterans think that these machine politicians in this administration are not smart that way, I refer them to the disposal of surplus property. What happens to that stuff? I cannot find out. Now you see it, and now it is sold cheap—to somebody else—but who?

(Mr. HINSHAW asked and was given permission to revise and extend his remarks.)

Mr. KOPPLEMANN. Mr. Chairman, I rise in support of the amendment.

Stripped of its fine feathers, getting down to the bone of the contention in this debate, it seems to me that the question does not really concern all these details that have been brought to our attention. The question is, Do we want to make it possible for a person to own or buy real estate for living purposes at a price he can afford to pay? That is the real purpose of this amendment. Right now I am not interested merely in helping the fellows who buy and sell property. Right now we are not chiefly interested in the fellows who get a commission on these sales. I am thinking

of those who have difficulty in finding a home. When you talk about perfectionism as you are attempting to argue here, may I point out that there is no such thing as perfectionism. The best we can hope for is to do something about a bad situation.

Complaints about the OPA have no place here. OPA has had its faults and will have its faults. But let us be fair with them. Do you know that there have been 700,000 rental changes to the landlord's benefit made by the OPA after legitimate complaints were filed? Seven hundred thousand adjustments have been made in this country by the OPA to adjudicate unfair conditions which landlords complained about. In a recent survey conducted in 36 cities they learned that on the average the landlords were operating at 35 to 40 percent better than in prewar years. So, the gentleman from California could have gone to the OPA with his complaint and if the story as it was told to him and as he tells it to us was confirmed it undoubtedly would have been taken care of.

I was talking the other evening to a gentleman who owned a piece of property here in Washington. Last October he sold it for \$165,000. Since October it has changed hands three times. The day he was telling me the story the property sold for \$205,000. Of course, the fellow who paid \$205,000 will go to the OPA and say, "I paid \$205,000 for this property. Therefore, I am justified in increasing the rents of the tenants." It is a fair and legitimate argument from his standpoint. But we here in Congress should not legislate to make such conditions possible. That is why I am for this amendment.

Mr. BENDER. Mr. Chairman, will the gentleman yield? Would not this amendment freeze the price at the \$205,000 rather than the \$165,000?

Mr. KOPFLEMANN. Yes; but it would stop it from going to \$240,000, \$250,000, or even \$350,000. That is what I want to stop. That is why I am in favor of Mr. MONROE's amendment.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the seventh day that we have had this bill before the House. It seems to me by all that is good and sound and reasonable that it is about as ridiculous as anything I have ever known of, to think that for 7 days you have argued this question. You have had Mr. Walter Winchell. You have had Mr. Drew Pearson. You have had Mr. Patman. You have had others on the radio trying to get the people of this country to influence the Members of the House on how they should vote. A great piece of propaganda. I think the question before the Congress today is how you can construct houses and how you can produce everything wanted in this country, whether it is houses or whatever it is, so that the American people will have the things they want to buy. They have the money—most of them have, but materials are scarce. Now, we have spent 7 days arguing the question of whether we want to put ceilings on houses or whether we want to regulate the American people any longer in practically everything that they want to do,

everything they want to sell everything they want to buy. Regulation and strangulation. It seems to me that Russia has that form of government right now. If anybody likes that form of government better than they like our own, they ought to go to Russia. We have a lot of people from Russia who are here and who are in key positions in this country who are advocating to the detriment of the American people and to the detriment of the American form of government to become Russianized. It is about time we stopped it. Let us be American, act as Americans or get out.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman.

Mr. BUFFETT. Do you not think that before the responsible officials in this country talk so tough to the Russian Government they ought to clean out the communistic influences in their own departments?

Mr. RICH. Certainly. We have more Communists planted in the Government of the United States, endangering our form of government and our freedom, than has ever been known in the history of this Nation. While we are a republic, and while we love our country, and while our boys have gone out and fought for our country, we should preserve those things that our forefathers fought and bled and died for and gave to us and told us to perpetuate not only for ourselves but for future generations. You are not doing that. You are not good solid Members of Congress when we do not do it either. When we are on the road to regulation of everything, as we are today, we are on the wrong track. Back up. Be American.

The gentleman from North Carolina [Mr. BARDEN] gave the most sound reason to get this country on its feet and to build houses. That is for the OPA to grant a little more money to the men who are manufacturing lumber so that they will not have to close down their mills and that they can produce lumber. When men engaged in that business have to quit because of OPA, they cannot produce lumber. Those who are producing lumber are selling lumber for export. Four hundred and twenty-seven million feet of lumber were exported last year because the lumbermen can get more money for lumber for export than if it is sold here in the United States of America. Over a billion feet of lumber will be exported this year when it should be sold and used in this country. We are exporting lumber today to Canada, Cuba, Trinidad, Venezuela, Greece, the Netherlands, Palestine, India, Ireland, Australia, Ceylon, Peru, Chili, and Egypt. Why should not our own American manufacturers sell that lumber in America, rather than export it, if we want to build houses? Only one way to do it and that is to get the OPA to get a little common sense.

There are contractors in this country by the thousands, there are carpenters in this country by the thousands who will build houses, if you will just give them a chance. They are ready, they are willing, they want to build homes; yes, 5,000,000 homes in 2 years if need be. Let us give them a chance.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. VOORHIS of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VOORHIS of California. Am I not correct that since time for consideration of the entire bill has been fixed, if we continue to debate this one amendment, there will be no opportunity for Members offering other amendments to debate them at all?

The CHAIRMAN. The gentleman is certainly correct.

Mr. FOLGER. Mr. Chairman—

The CHAIRMAN. Does the gentleman desire to be heard on the pending amendment?

Mr. FOLGER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 2 minutes.

Mr. FOLGER. Mr. Chairman, I do not see anything to be gained by a discussion of the entire bill to dispose of this amendment. All in the world this amendment is designed to do is to stop speculation in homes already constructed. To do that, for a second sale a man must have bought a place for his own home and some circumstances have arisen that made it necessary for him to sell it. There is only this question before you: Do you want those who have no homes, be they veterans or what not, to be able to purchase homes at a fair value, or do you want the speculators of the country, whoever they may be, to come in and buy up those homes and make another profit on them? That is all there is to it.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. FELLOWS. Mr. Chairman, I move to strike out the last four words.

(Mr. FELLOWS asked and was given permission to revise and extend his remarks.)

Mr. FELLOWS. Mr. Chairman, I have not said a word on this bill because I did not think I could add anything to the discussion. I think that holds true today.

I know little about socialism, and less about communism; but I should be a Socialist because I have nothing and am willing to divide it with anyone.

Yesterday our distinguished colleague, the gentleman from Indiana [Mr. SPRINGER] made an excellent speech. He referred to the fact that the estimable gentleman, who is head of the CPA, had testified before our committee. Mr. Small is a safe, sane, and able administrator. He not only assured us that he has power now to allocate materials to the veterans for house construction and is now actually doing the allocating, but he further said that this country should get back to an economy free of controls. Is not that enlightening and heartening? He said that controls breed controls and priorities breed priorities. That is heartening, coming from the head of the great Civilian Production Administration and I think it is news when the head of one of our great agencies will state those things.

One of the older lumber concerns in the State of Maine, a concern which has been in business many years and has furnished employment for hundreds of men and women received from OPA a letter transmitting a form for that concern to fill out if it wanted to have the ceiling lifted so it could continue to do business.

I do wish the indulgence of the House for a couple of moments to read the very brief reply that this old company, long in the business, gave to OPA just yesterday or the day before. This letter speaks for itself and tells the story of the effect of planned economy:

MARCH 4, 1946.

OFFICE OF PRICE ADMINISTRATION,

Washington, D. C.

GENTLEMEN: In reply to your request:

Our concern was established in lumber business in Milford, Maine—year 1884—always had a good business.

In 1943 we had a saw mill and retail business at Milford, Maine. At this time we were interviewed and convinced by field men of the Smaller War Plants Corporation that to be patriotic we should produce lumber to be used for crating airplanes, barracks for soldiers, etc.

We realized the emergency and having two sons in the service this seemed to be our part.

We questioned the labor situation as it was growing harder all the time, but was assured that it was not so much the cost but what we could produce. We gave them mortgage of everything we had and started to get lumber.

In a few months a representative from Smaller War Plants Corporation came back and wanted us to put in two more mills. We did buy one, and this with the one we already had we produced a lot of lumber which must have been satisfactory to the buyers as there was no fault found with the sawing or grading.

On the new mill we had quite an investment, as the mill was placed for at least 4 years operation—roads, camps, etc., for the full period. We were led to believe by all inspectors that our work was satisfactory and our production would continue.

When Smaller War Plants Corporation went out of business we were shut off on December 28, 1945, with outstanding checks for one payroll and another payroll due, unpaid taxes, and unpaid supply bills.

We operated under the ceiling prices, paid Government wages plus overtime and we are now in the bankruptcy court, so will not be able to fill your OPA Form 60732686.

Yours very truly,

BARKER LUMBER CO.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. MONROE) there were—ayes 41, noes 107.

So the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer some perfecting amendments and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. PATMAN. Mr. Chairman, I suggest that the amendments be reported first.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. WOLCOTT:

Page 5, line 25, after the word "for", insert the word "such."

Page 6, line 4, after the word "of", insert the word "such."

Page 15, line 22, after the word "accommodations", insert "the construction of which is completed after the effective date of this title."

Page 15, line 24, strike out the word "the" where it appears the second time and insert the word "such."

Page 16, line 2, after the word "of", insert the word "such."

Page 16, line 3, strike out the word "the" where it appears the second time and insert in lieu thereof the word "such."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT] that these amendments be considered en bloc?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, I merely want to explain that the action of the committee in confining ceilings to new construction, without the amendments which I have offered, leaves some very ambiguous language in the bill. It has been called to our attention that the language of the bill is broad enough so that it is possible of an interpretation that the ceilings apply to old as well as new homes. All these amendments do is to bring the language of the bill in line with the action which we have taken and in line with the clear intent of the Congress.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendments were agreed to.

Mr. GAMBLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GAMBLE: Page 11, line 14, after the word "construction", insert "and/or completion."

Mr. GAMBLE. Mr. Chairman, this is the same amendment I offered to the Wolcott substitute yesterday, which amendment was agreed to by the committee.

It simply provides that the Housing Expediter will have the authority to allocate or establish priorities for the delivery of building materials as he deems necessary for the completion of construction of housing now being built as well as for new construction. This will assure the completion of thousands of homes now being constructed under the FHA program.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. GAMBLE. I yield to the gentleman from Texas.

Mr. PATMAN. I believe this was checked with the FHA, and the FHA said that these words would be desirable "and/or completion." I see no objection to the amendment.

Mr. GAMBLE. Thank you.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. TALLE. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to proceed for five additional minutes, and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TALLE. Mr. Chairman, back in that old country school I attended as a boy we used copybooks for training in penmanship, and some of the adages we wrote over and over were: "Haste makes waste." "He who goes a-borrowing goes a-sorrowing." "A penny saved is a penny earned," and so on. I recalled one of those adages when the pending bill first came to my attention. For months I had tried earnestly to get the administration to recognize the ever-increasing need for more housing to accommodate returning veterans and their families. But it was "a voice crying in the wilderness."

The adage that came to my mind from the days spent in that little red schoolhouse which, like Kipling's Gunga Din, was "white, clean white inside," was this: "Of all sad words of tongue or pen, the saddest are these, 'it might have been!'"

Yes, the housing situation might have been different indeed, if—perhaps it does little good now to speak of what might have been, except that it may serve as a warning in the hope that other emergencies may be avoided in the days ahead. Suppose, now, that the administration had paid a little attention to the facts gathered in the population census of 1940. Suppose some attention had been paid to the data gathered under the Selective Service Act. Suppose, too, that account had been taken of the Alien Registration Act data. Suppose the Administration had paid some attention to the War Department, the Navy Department, and the Marine Corps data and all the other data that are available in Government agencies. Suppose some attention had been paid to vital statistics—births, deaths, and marriages. Then, finally, I ask you if you remember these big sheets—of which I hold samples in my hand—that were used for taking a housing census in 1940. Do you remember how you rebelled at the thought of revealing to the people who came to you to ask countless questions about your home—about water, heating, refrigeration, value of the property, whether owned or rented, the interest rate and all the rest?

Some of you gentlemen may want to take a look at these samples to refresh your memory. It was suggested the other day that there should be some fact finding in order to determine housing needs. Facts, facts, facts! We have so many facts that if facts were building materials we could convert every igloo and tepee and wigwam the world over into the choicest living quarters anyone could wish. Yet, here we are, faced with an emergency, in spite of all the data collected by Government agencies and in spite of the fact that I hold here in my hand this little primer gotten out by the New Dealers in December of 1938 which bears the title "An Economic Program for American Democracy." It was out of this book you got some gospel yesterday and on preceding days during the consideration of this bill.

No doubt you recall one Member charged that private enterprise in the building field had failed, that the building industry did not know how to carry on, that it had made a mess of things. Well, that charge is in this little book. But that is not all. You are also told

that spending is good, that borrowing is good—and you cannot go too far in either.

Listen to this:

The instruments of monetary control already at the disposal of the Federal Government—for example, control over reserve requirements, taxation, and debt repayment—assure us that there need be not the slightest fear of inability to control any general price rise which might be regarded as excessive. Undue price rises may, it is true, occur in particular industries, but they are just as likely to occur in a prosperity initiated and sustained by private as by public spending.

Then listen to the familiar words:

They must be controlled, not by a policy of permanent depression, but by advance planning—

Save the mark! Where have the planners been? What have they been doing while the housing emergency developed? I read on—

advance planning for the elimination of physical bottlenecks—

That familiar word “bottleneck” that has been bandied about in our committee room so many days—

advance planning for the elimination of physical bottlenecks and by measures of price control such as we propose in our next section.

Mr. Chairman, the American people were notified soon after March 4, 1933, that henceforth planning would be done for them in Washington, D. C., that America would be remade by the New Dealers, and days of trouble and anxiety would come no more. Yet, here we are, assembled for the seventh day in an attempt to solve, if possible, a housing emergency.

Mr. Chairman, the other day a favored son of the administration referred to emergencies as opportunities. Bottlenecks, too, were opportunities to him. I doubt that veterans looking for homes will agree with him. When I consider all the emergencies that have been portrayed during the past 13 years, I cannot help wondering if any bill of Nation-wide significance has been offered in any other name than emergency since the day the present administration came into power. Emergency might very well be defined as a New Deal opportunity because to observe what emergencies bring. Why, you get czars. That term recalls Julius Caesar, Czar Nicholas, and Kaiser Wilhelm. Then you get mobilizers, whatever they do. Then you get coordinators, and they no doubt have important functions. Then you get stabilizers to keep things from moving, and expeditors to make them move very fast. All of these you get out of an emergency.

No, Mr. Chairman, I am not trying to be facetious; I have taken and am taking the problem before us very seriously. On VE-day I made an earnest appeal that everything possible be done to increase the production of civilian goods. I recall that on the 21st day of June I stood here and spoke about price control. I said that in the face of the inflation threat we must spend less, we must stop monetizing our national debt and pouring new money into circulation, and, above all, we must produce civilian goods in huge quantities because

that is the way to prevent run-away inflation. Those were the three items Governor Eccles, Chairman of the Federal Reserve Board, mentioned a few days ago as things that must be done. I urged last June what he proposed the other day.

After VJ-day I took further steps to get increased production of civilian goods. Certainly then additional productive capacity was made available. The RECORD for December 11 contains some remarks I made concerning the serious housing shortage and the urgent necessity for taking constructive action to meet the needs of returning veterans. It was my hope that action might be taken before the close of the last session. Two days later I introduced a bill in the hope that the export of building materials could be stopped during the emergency. I have followed that up consistently. Certainly the Republicans on the Banking and Currency Committee have done everything that could be done to get prompt and constructive action.

The essentials in the problem are, of course, materials and labor, but when I talked to the State Department about stopping exports I was told: “They don’t amount to much; in fact, less than 1½ of 1945 production.” Then I asked, “When did the exports occur?” The answer was, “Late in 1945.” But if this export rate for the last quarter of 1945 had prevailed throughout the year, the total quantity would have been appreciable. It must be remembered, too, that export licenses are good for an entire year, so that in 1946 we have a carry-over of export licenses from 1945. But those who have the power to deal with these things are apparently not concerned because they say we are in the habit of exporting lumber and we could not convert certain mills easily to the manufacture of domestic lumber. Well, I am amazed at that. I am so puzzled by this argument that I shall pass it by and merely say that if the emergency is as great as we have been told it is, then I think the conversion should be made even if it cannot be done easily.

Mr. Chairman, the veteran needs not only a house but he needs some furniture. What luck does the veteran have when he goes to the shops to buy the wooden articles he needs? He finds scarcely anything that is made of the kinds of woods that used to go into furniture—ash, red oak, white oak, beech, birch, and maple, to mention some varieties. An old-established furniture manufacturer in my district informed me some time ago that these woods were going to foreign countries under lend-lease arrangements. I made inquiry to get the facts and, to be sure, as of January 31, 1946, something over 18,000,000 board-feet of these choice woods are still under contract to be shipped to foreign lands. I learned further that lend-lease has so far claimed a total of nearly 125,000,000 feet as of the aforementioned date. These shipments have included pecan, rock elm, hickory, and hard white elm in addition to those noted above. No wonder our shops offer such shoddy stuff.

Mr. Chairman, the time has come to speak a word for Uncle Sam. He has been very patient and overly generous. He is the proud symbol of the American people. In his name we have been engaged for several years in a great missionary enterprise. In his name we asked our young people “to take the wings of the morning and fly to the uttermost parts of the earth.” This was done in the name of “democracy,” too. I wonder, Mr. Chairman, how a New Dealer would or could explain his brand of democracy—including czars, mobilizers, coordinators, stabilizers, and expeditors—to the people on the streets of Calcutta or on the streets of Shanghai. I wonder, too, how a great missionary enterprise can succeed without a strong home base. That home base is the United States of America. Will not the life lines we have tossed out to peoples the world over to be mere ropes of sand, if we do not keep faithful watch over our own hearthstones? After all, the building industry is the second largest industry in our country. Can we turn so great an industry over to those who demand public housing and not blush with shame when we speak the words “free enterprise” or “private enterprise”? Uncle Sam has the physique of a giant. If that were not so, he could not have outlived so many quack remedies. But the emergencies of the past 13 years have taken their toll of Uncle Sam’s energy. That is why I want to warn the administration that even his giant physique can be broken. Perhaps “emergencies” are something more than “opportunities.” They can also be tragedies.

Mr. PRICE of Florida. Mr. Chairman, I offer an amendment, which is at the Clerk’s desk.

The Clerk read as follows:

Amendment offered by Mr. PRICE of Florida: On page 12, after line 2, insert paragraph (c):

“All honorably discharged veterans of World War II who desire to build or buy a home shall be issued by the United States Government a certificate for \$200 to be applied on the purchase price of said home or the purchase price of material to be used in building a home. These certificates shall be redeemable at face value by the United States Government for a period of 2 years from the time this bill becomes a law.

The Director is hereby requested to instruct the Office of Price Administration to revise its program as far as building material and all items that go into the construction of homes is concerned and to fix prices that would allow reasonable profits to all those who deal in such items. The Director is further requested to instruct the Office of Price Administration to have this revised building material program in operation within 10 days from the date this bill becomes a law.

Mr. PATMAN. Mr. Chairman, I make a point of order against the amendment that it is not germane. It does not carry out the intended purposes of the proposed bill. It provides for the giving of bonuses to veterans to buy homes, at least to those who are fortunate enough to get homes. It provides for a bonus of \$200.

The CHAIRMAN. Does the gentleman from Florida desire to be heard on the point of order?

Mr. PRICE of Florida. Mr. Chairman, I thought the purpose of this bill was to provide homes for veterans. I think this is in line with other amendments which have been offered and is in keeping with the purposes set out in the bill.

Mr. PATMAN. Mr. Chairman, I do not believe that the proposal embodied in the gentleman's amendment would even be referred to the Committee on Banking and Currency.

Mr. PRICE of Florida. There has been one amendment offered which is similar to this. It was offered to the Wolcott substitute amendment as far as the OPA is concerned.

The CHAIRMAN (Mr. COOPER). The gentleman from Texas [Mr. PATMAN] makes a point of order against the amendment offered by the gentleman from Florida [Mr. PRICE]. The Chair has reviewed the amendment. While a rather close question is involved, the amendment does seem to relate to housing for veterans, which is the subject matter of the pending bill in that it provides for a certificate for a certain amount of money to be applied on the purchase price of a home or the purchase of materials to be used in building a home.

Although it is a close question, the Chair is inclined to rule that it comes within the scope of the bill and overrules the point of order.

Mr. PATMAN. The amendment itself shows that it discriminates against a large group of veterans; that the one who is fortunate enough to get a home gets a bonus of \$200, but the fellow who cannot purchase a home does not get the \$200.

The CHAIRMAN. Of course, that question could not be considered in passing upon the point of order, that being a proper argument for the gentleman to make on the merits of the amendment.

The Chair overrules the point of order.

The gentleman from Florida is recognized for 5 minutes in support of his amendment.

Mr. PRICE of Florida. Mr. Chairman, many tears have been shed and many pretty speeches have been made in behalf of the veteran on the House floor during the past week. The Democrats and Republicans alike have poured out their love for the veteran, but that is as far as it has gone. In other words, nothing has been done for the veteran. The Republicans blame this on the Democrats and the Democrats blame it on the Republicans but each individual Member of the House will have to take the blame when he returns to his district.

I believe the amendment I have offered will really do something for the veteran. It will start the machinery toward the building of homes and I am sure the veteran would rather have a home than a fine speech or a bucketful of tears.

My amendment provides that each veteran who wishes to purchase a home be issued a certificate for \$200 which he can apply on the down payment on his home. This \$200 will be deducted from any future benefits Congress may vote for veterans. With \$600,000,000 we would thus be able to contribute to the construction of 3,000,000 homes.

My amendment also provides that the President be requested to order OPA to revise its program as far as building material is concerned and that every item that goes into the building of a home be given a ceiling price which will allow a fair profit to all involved. According to the speeches made on the House floor during the last week, the increase necessary on every item that would go into a veteran's home would be less than the \$200 provided for each veteran in this amendment. We all know that to give the veteran this relief through subsidies would cost the taxpayer twice as much money because of the great number of items involved and the red tape that would have to be gone through with if the Government handed subsidies out to the producers of the various building materials. I do not believe there is a Member of this House who would claim that a dollar started off in subsidies would amount to more than 50 cents when it came down to the man who built the house, therefore, my amendment would directly benefit the veteran. He would get his home at no extra cost and if he gets his home the housing situation will be eased considerably as far as everyone else is concerned. We all know that the President could issue an order to OPA and OPA could revamp its prices on building materials and the production of much needed items would begin almost overnight. We hear from all concerned that we can do away with price control when production meets demand. I sometimes wonder if this is the reason OPA likes to keep its program as complicated as possible and stifle production.

I do not believe a Member of this House who honestly wants to help the veteran will vote against my amendment.

Mr. PATMAN. Mr. Chairman, the committee is trying to be liberal and generous to veterans. This is not what might be termed a "veterans' bonus bill," and seeks to deal with all veterans fairly and equally. With all due respect to the gentleman from Florida, who offered the amendment, I do not think it fits into this bill at all.

There are two ways that the amendment can be considered. If you consider that the veteran who gets a home is the only one who gets the \$200, it will be very unfair, because in a community where there are a hundred veterans who are qualified for homes and are entitled to priorities and preference, on account of scarce materials only 50 of them will be accommodated. The lucky 50 will not only get a home, but they will get \$200 each in addition. It occurs to me it would be more equitable and right to give the 50 disappointed veterans, who could not get a home, the \$200 each.

The other way, if you say you should give it to every veteran who applies—there are 15,200,000 who might qualify under this provision. At \$200 each that would mean over \$3,000,000,000, quite a considerable sum of money. Maybe we should give them \$3,000,000,000 or more, but I think we should give it to them only after thorough committee consideration and also after consideration of all other factors that are involved in it. It is just too big a question to go into a bill

here under the 5-minute rule when the amendment was not submitted to the committee for consideration at all and we knew nothing about it until a few minutes ago.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MONRONEY. It should also be borne in mind that the ultimate result would be to give it to some real-estate broker or builder. He would be the one who gets the \$200.

Mr. PATMAN. Yes; it could be a \$200 bonus to the speculator. It just goes to show how far-reaching it is, and it certainly is evidence that we should give very thorough consideration to it.

Mr. PRICE of Florida. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. PRICE of Florida. These certificates would be redeemable over a period of 2 years. Does the gentleman say that not more than 50 percent of the veterans would want to buy a home?

Mr. PATMAN. Over 50 percent of the veterans would not be able to buy homes. In other words, you are going to hand to less than 50 percent of the veterans not only a home, but \$200 in addition. If anything it should be given to the 50 percent who will be unable to get homes, even though they want them.

Mr. PRICE of Florida. But the gentleman admits that the purpose and object of the bill is to get homes for veterans.

Mr. PATMAN. Certainly; and we are giving them preferences, but giving them all an equal rights; we are not giving the veterans who do get the homes both the home and the bonus.

Mr. PRICE of Florida. This would give them a reasonable opportunity to get materials; it would provide the inducement necessary to produce materials with which the homes could be built.

Mr. PATMAN. This amendment is very far reaching and it is separate and distinct from any provision of the committee bill. I think the amendment should be submitted to the committee and very thorough consideration should be given to it. We should not legislate on a \$3,000,000,000 amendment here without any consideration than we can give to it under the 5-minute rule.

I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. PRICE].

The amendment was rejected.

Mr. BUFFETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUFFETT: Page 12, after line 2, insert the following new section:

"In order to achieve maximum production of materials suitable for use in the construction of housing accommodations the Expediter is authorized and directed to issue a directive on policy to the Price Administrator requiring the Price Administrator to establish within 60 days after the date on which this title becomes effective a maximum price with respect to each such material: *Provided*, That no maximum price shall be established or maintained with respect to any such material which (1) is below a price which will reflect to processors as a group dealing in such

material a fair and reasonable profit per unit, based on current costs, or (2) when applied to wholesalers, distributors, jobbers, and retailers dealing in such materials, will reduce or result in the reduction of the dollar-and-cents trade discounts or dollar-and-cents mark-ups with respect to such material below the dollar-and-cents discount or dollar-and-cents mark-ups applicable on January 1, 1945."

Mr. MONRONEY. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Nebraska. The amendment he has offered is not germane to the pending bill. It is an amendment to the Price Control Act, which is not before the committee at the present time.

The CHAIRMAN (Mr. COOPER). The gentleman from Oklahoma makes a point of order against the amendment offered by the gentleman from Nebraska. The Chair invites attention to the fact that the pending bill contains provisions authorizing priorities and allocations of materials for the construction of homes. The pending amendment provides for directives for the production of materials suitable for use in the construction of housing accommodations, and so forth.

The Chair is of the opinion that the amendment is within the scope of the pending bill and, therefore, overrules the point of order.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Missouri.

Mr. PLOESER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD immediately following the address of the gentleman from Nebraska [Mr. BUFFETT].

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BUFFETT. Mr. Chairman, last spring the House and Senate passed an amendment to the Price Control Act to encourage legal production of livestock products. The amendment was necessary because OPA had by unfair pricing tactics created an impossible situation in the livestock packing industry.

This amendment is patterned after that proviso which is a part of the Price Control Act today. Yesterday, when I introduced a similar amendment, the opposition raised their favorite red herring, claiming that it was inflationary. I suggest to the Members of the House that this amendment is the way to get production, and production is the answer to inflation. This policy is the only way to bring full production in a free economy.

Mr. Chairman, if the Congress is going to get the products produced with which to build houses, it must take action to see to it that the people in this industry have the incentive of a possible profit on the items that they produce efficiently.

The complaint was made yesterday that this amendment would require the Price Administrator to set a profitable price on all items in the building line.

The Price Administrator goes through the entire building line now and sets prices. If he can set prices at all, he

can set them so that they are profitable to efficient producers. If prices are too high on some products, he can bring those down and then put the rest of the prices on a profitable basis. That is what the first part of this bill seeks to do.

The other half of the amendment seeks to preserve the industry relationships that existed on January 1, 1945.

Mr. Chairman, this country went through the war, and Congress did not legislate wholesalers, retailers, jobbers, and distributors out of business. But lately, by a cost-absorption scheme, the Office of Price Administration, by administrative edict, has liquidated and eliminated from business many people in this country. I do not think that the Congress intended that any administrative agency should have the right to destroy American businesses by administrative edict. Yet, that is exactly what is happening in various divisions of industry today, where price regulations have eliminated areas of business from legal operation.

This amendment will prevent that kind of ruthless dictatorship method from being used any longer. It will provide the American incentive for production by assuring every segment of the building industry a chance to make a profit, if they are efficient operators.

Contrary to opposition rantings, this amendment does not guarantee a profit to everybody. It provides that processors as a group shall have fair and reasonable prices per unit.

No one in this House will forthrightly object to the people in industry having a chance to make a fair profit. But apparently Members favor agency tactics which force industry to either do business at a loss and go broke, or go into the black market, or quit producing.

That is the present situation in many instances. This amendment would cure that very evil situation, a continuation of which will eventually destroy the American system of free enterprise that our veterans were told they were fighting for.

Mr. PLOESER. Mr. Chairman, yesterday the gentleman from Ohio [Mr. SMITH] contended that the National Association of Home Builders had been virtually coerced into their directors' approval of subsidies. This statement was challenged by the gentleman from Oklahoma [Mr. MONRONEY].

Today I am in receipt of information from one of the directors of the Home Builders' group, who stated:

We were shot-gunned into our action, with the promise that we would be given sufficient materials if we approved, and with the implication that we would come up short if we disapproved.

However, even the action of the directors does not change the unanimous vote of their membership in convention against the administration's program.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is our old friend, the favorite wrecking device of those who have consistently opposed OPA. We have had it introduced in form substantially as it is by the gentleman

from Nebraska many times in the past to try and destroy OPA.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Is this amendment any different than the amendment we adopted on livestock products last year?

Mr. MONRONEY. Yes; there is a considerable difference, because the livestock products were limited to three categories: Mutton, pork, and beef, I believe. This crosses the board on more than 10,000 items that go into the building industry, and you would have to guarantee every hardware dealer, every lumber dealer, every retailer, a satisfactory margin of profit on every single item that he has in his store.

I have been in business for 20 years, and I do not know the time under free pricing, I will say to the distinguished gentleman, before we had any price controls whatsoever, that I ever enjoyed a completely satisfactory margin on every item in my business. You always have low-profit items and high-profit items.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I believe in a free economy of the people, and I believe that when we have enough goods to satisfy the demands at a particular time that then we should not have any controls, but, coming at this particular time and carrying out what this particular bill intends, we should not do it because \$1 now will not be worth 10 cents a year from now.

Mr. MONRONEY. I agree with the gentleman. If you extend it to the building industry, you will have to extend it to every industry.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not true that this amendment would force a price increase on every home that the veteran would buy, and instead of this bill being a bill for veterans it would be an antiveteran bill?

Mr. MONRONEY. It would certainly raise the price to the veteran a very considerable amount, and at the same time we would do a lasting and permanent injury to our efforts to control inflation at this critical period. No one who knows the implications of this profit per unit provision in the gentleman's amendment, and hopes to have anything to say about preventing inflation, can possibly support such an amendment. It would mean a rise in every single item in the building industry, because this man would have a short profit on one item and another man might have a short profit on another item and the whole thing would have to spiral upward. I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BUFFETT].

The question was taken; and on a division (demanded by Mr. BUFFETT) there were—ayes 39, noes 57.

Mr. GATHINGS. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. KEEFE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEEFE: On page 11, line 19, after "title", insert a semicolon and add, "and the Director is authorized, regardless of any other legislation, to direct the Office of Price Administration to make such price adjustments as are necessary to stimulate the production of building materials."

Mr. KEEFE. Mr. Chairman, I would like to ask a question of the gentleman from Texas [Mr. PATMAN]. I would like once and for all to get a direct answer to a specific question.

When the committee reported the Patman bill, did it intend to confer upon the Director, named in the bill, the power to direct the Office of Price Administration to change existing price structures in the Office of Price Administration relating to building materials?

Mr. PATMAN. Absolutely, if necessary to get production of materials to build houses or if necessary to carry out the intent and purposes of this act.

Mr. KEEFE. Will the gentleman point out the language? I have searched this bill in vain for any language that could even remotely be construed by any fair-minded person as intending to confer such power.

Mr. PATMAN. On page 3, section 702, subsection (b):

The Director shall formulate and develop a comprehensive national program to effectuate the purposes of this title. In order to carry out this program, the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to or affecting housing.

That includes production, prices, everything that is a bottleneck.

Mr. KEEFE. But it says "policy"; that is all.

Mr. PATMAN. That is a policy.

Mr. KEEFE. Will the gentleman answer my question? Was it the purpose of the Committee on Banking and Currency to confer upon the Director the specific power to direct the Office of Price Administration to change prices on building materials if it was necessary to secure production?

Mr. PATMAN. Absolutely.

Mr. KEEFE. Then the gentleman has no objection whatever to the amendment I have offered, I take it, which simply makes that question perfectly clear.

Mr. PATMAN. It is not necessary.

Mr. KEEFE. The gentleman says it is not necessary?

Mr. PATMAN. We have written it in the bill.

Mr. KEEFE. Just listen to this. I asked this question yesterday and I got the same kind of an answer. I came right over to the ranking Republican on this committee and asked him the question, and he said, "Under no circumstances is there anything in this bill that gives to the Director the power to direct the Office of Price Administration to change price ceilings." There you have it. I, as a Member of Congress, trying

to understand this bill intelligently, am told on the one side that the bill does give that power to the Director, and I am told on the other side that it does not. As a lawyer myself, interpreting this bill, I would have to torture my mind very materially if I would find in this bill any grant of power to the Director that would specifically empower him to tell the Office of Price Administration to change a price ceiling on building materials in order to get production.

If the fact is, as the gentleman from Texas just said, that it was the purpose of this committee to write into this bill a specific grant of power to the Director to give directions to the Office of Price Administration, how could there be any possible objection to putting that language in the bill without equivocation, directly and simply, so that when this bill is interpreted, as it will be later on, there can be no reasonable question but that the Congress intended to say, "Here is the bottleneck to production and building of homes. It is in the production of material."

If you want to get material, you must do what you did during the war, and that is pay labor a fair wage to produce it and insure the producer a fair margin of profit. Then you will get the material. All the rest of this is a lot of shadow boxing. I say to you, if you want to really do something, you will put the language in this bill which the chairman of the committee says they intended to put in the bill.

The following article appearing in the Oshkosh (Wis.) Daily Northwestern contains information that every Member of Congress should have:

A MESSAGE TO A HOMELESS VETERAN

You are home from the wars. You fought for your country and now you want the things that every American wants—a job and a good home.

You should have that home. You are entitled to it, but there just aren't enough homes to go around. Maybe you're wondering why somebody doesn't do something.

What we have to say to you isn't going to be easy. Nor is it going to be easy for you to take. We believe, however, that you would rather have it straight than to be kidded.

So here it is, straight from the shoulder:

There is no way by which the building business, the Government, the President, Congress of the United States or anyone else, can provide this year all the homes you and the other people of this country want. No amount of money appropriated by Congress can do it.

Several hundred thousand homes are going to be built, of course. Maybe you'll be one of the lucky ones to get one. The building industry, working with the Government, will do everything in its power to supply veterans' needs first. Even so, a lot of you boys are going to be disappointed.

"But why?" you ask. "Why can't we build a million homes this year?" "Let's get the assembly lines going again, prefabricate them, use the wartime airplane plants. Whatever you need to do, let's do it. But let's build homes quick!"

We wish it were that easy. We already have a lot of prefabricating plants making homes and they're no better off than any other home builder because they, too, can't get toilet bowls, bathtubs, lumber, and so forth.

If you do not get your new home this year it will be for the same reason that a lot of you will not be able to buy a refrigerator, or an automobile, or nylon hose, or white shirts,

or a suit of clothes. There aren't enough materials coming out of the factories.

Remember, the manufacturers of building materials and equipment went through the same war that the automobile people did. For 3½ years, while you were fighting on the shooting front, the building industry along with other industries was working with might and main to build and maintain the huge war plant on the home front. We found out with automobiles, nylons, and refrigerators it takes times to reconvert. The building industry was not allowed to start reconversion until after the Japanese war was over. We've had our share of strikes and labor troubles, too.

The war ended in August but home building restrictions were not lifted until October 15, 1945, less than 4 months ago. Yet home builders did their part; in the first 60 days they started over 125,000 homes. Many of them are not completed yet because we can't get materials, equipment, and labor enough. Yes, the builders did their part, but they couldn't compete with the military. Don't let anybody tell you we fell down on the job. Good as you were as a fighting man, the best in the world, even the Japs had you tied down until you got the materials.

But once you got the stuff, Germans, Japs, and nobody else could stop you. Same way with the building industry. Gradually we're clearing away the bottlenecks giving home builders the green light. Gradually we're getting more and more stuff every day, and more and more homes are being completed, more and more are being started. By the end of this year we'll be going at a million-a-year clip, and you'll have your home.

We in the building industry foresaw that this crisis would happen. We urged the Government long before the end of the war to let us get our plants and plans in shape. We knew you would want a home when you got back. The Government said "No!"

Well, maybe that was all right. You were fighting a tough war, and you needed the stuff. But it meant the building industry could not be ready for you when you got home. We'll see that you get a home faster than anybody else can get it for you.

But what you and we should really be afraid of is that amateur tampering with so complex a thing as the building business may prolong the home shortage unnecessarily. This could easily happen if, instead of putting all our energies on breaking the real bottleneck, we allow ourselves to be stampeded into impractical visionary schemes to produce houses by the million when there won't be materials and equipment enough to produce more than half that many this year, unless obstacles are removed.

Some of the ideas that are being advocated by well meaning men are so dangerous that they might upset our entire economy for years to come and delay home-building indefinitely.

You don't want this to happen because it would hurt you and all the rest of the people of the United States, and it wouldn't get you the home you want.

You can help prevent it if you will remember that housing, like a lot of other things, is a war casualty, and that only common sense and an all-out attack on the real bottlenecks will cure it.

What are the bottlenecks?

We've already mentioned a shortage of materials. But much of this shortage is due to OPA. We're not suggesting that all price control be removed. We are suggesting that OPA stop standing in the way of production of more materials and equipment. We are suggesting that OPA stop thinking in terms of war, "reconvert," and start thinking in terms of peace and production.

One of the most serious shortages we have is in sanitary-ware, plumbing supplies, radiators, and the like. OPA for some time has had dozens of applications for price adjustment in this industry alone. They haven't done anything at all about them. In

the meantime, manufacturers cannot get labor, because they can't afford to pay enough.

You've heard about the lumber shortage. Lumber mills are producing lots of lumber, but not much of the kind that's used in homes. Why not? Largely because OPA is still operating on a wartime basis, allowing higher prices on nonhome lumber and on lumber for export. These are just two of many examples.

Right there is bottleneck No. 1.

Bottleneck No. 2 is labor in the field. As you know, the boys were slow in coming back and those that did often went on other than home-building jobs. We've done something about that by giving home builders priorities on materials for veterans' homes. This will mean less general construction and so more labor will be available to building homes.

When these two bottlenecks—production and labor—are cleared away, homes will go up fast.

When we read daily about the unhappiness of thousands of veterans who can't find a home of their own, our emotions are apt to run away with us. The President says there are 5,000,000 homes needed immediately; Wilson Wyatt, our new housing chief, says 2,500,000. Thoughtful studies by economists of the Producers' Council (manufacturers) put the figure at about 850,000.

No one really knows what's correct. But just 5 years ago the building industry could find customers for only 450,000 homes. Is it reasonable to suppose we desperately need 5,000,000?

It is important to the welfare of the people of the whole Nation that you and we do some very straight thinking on this problem.

There are 6,000,000 people dependent on the building industry for a living. Perhaps you are one of them, or your brother, your father, your uncle. It is the second largest industry in the country. Let's be very careful how we monkey with the machinery that makes it run, lest our monkey wrench slip and we find we've wrecked the machinery that provides jobs for 6,000,000 people.

That wouldn't do you any good.

Suppose we set up assembly lines all over the country to produce houses by the million. It wouldn't help you now because the real bottleneck isn't home-building capacity, it's materials and equipment. And there is every assurance that, if we did produce millions of homes in this way, they would not be the kind of homes you want, and that they would cost more. There is this fact, however:

Hundreds of thousands of carpenters, bricklayers, plumbers, electricians, and other workmen, all of whom now earn their living building homes, would not have jobs. In the meantime, thousands of other workmen would have to be recruited from the already scarce ranks of labor in this country, trained and taught new skills and new techniques to build house panels in Government factories. Maybe you've forgotten how long it took to work out assembly-line techniques for airplanes and tanks, and that was in wartime when nobody cared how much it cost and how much sacrifice it entailed. It would take years to build a new giant industry to produce the millions of factory-made homes everyone so glibly talks about.

In the meantime, we have ready at hand, anxious to get going, a home-building industry capable of producing a million—yes, a million and a half—homes a year. We built 937,000 in 1 year, as far back as 1925, and did \$5,000,000,000 of other building besides. The labor and materials that went into this \$5,000,000,000 of nonresidential building were the equivalent of another 900,000 homes.

You don't have to wait for a new giant industry to be created from scratch.

You don't have to risk wrecking our existing economy while waiting for a new type of industry.

The building industry, working with the Government, is clearing away the wartime bottlenecks as fast as possible. By fall we

can be building at a million-homes-a-year pace, or better.

You'll have your new home as fast as you'll have your new car.

OSHKOSH (WIS.) CONSTRUCTORS.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I stated what I believe to be the policy of the committee in agreeing to this. My views are concurred in by the chairman of the committee and those with whom I conferred. The gentleman from Wisconsin is a very clever lawyer. I give him credit for that. He is a man of great ability. He has written an amendment, in how adroit language it is couched I do not know, but I know that he wants to carry out his own object and purpose. I do not know how far-reaching it would be. I have not had an opportunity to give it the consideration I would like to give it. Neither has the committee had such an opportunity. We had hearings on this bill for 2 months. Every Member of the House was invited to appear and express his views if he desired to do so. The gentleman did not do that. Now he comes on the floor of the House at the last minute and offers an amendment which affects the whole price-adjustment policy of the OPA and other departments. I do not think I would be willing to accept his amendment. In other words, the surgeon who wields the knife should want the patient to live. I am not exactly sure that the surgeon, Representative KEEFE, as distinguished and able as he is, is particularly anxious for this patient to live.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. KEEFE. Now, the gentleman has made a very unfair statement.

Mr. PATMAN. Will the gentleman ask me a question? I did not yield for a speech.

Mr. KEEFE. I want to correct the interpretation that you put in this record that the gentleman from Wisconsin has been unfriendly or unfair to the OPA.

Mr. PATMAN. I said I am not so sure.

Mr. KEEFE. I am not unfriendly or unfair to the OPA, and I deny the charge.

Mr. PATMAN. Well, I said I am not so sure about it.

Mr. KEEFE. I want to say to the gentleman that you are using the same old tactics you always use. You will not give the other fellow credit for honesty, decency, and fairness.

Mr. PATMAN. That is not true. I always give my opponent credit for being sincere and honest, and I certainly give the gentleman from Wisconsin credit for honesty and sincerity of purpose.

Mr. KEEFE. There are no tricks in this amendment.

Mr. PATMAN. The gentleman from Wisconsin accused us of using the veterans.

Mr. KEEFE. All this amendment does is what you say you want this bill to do.

Mr. PATMAN. We have considered the language of this bill and we are willing to accept this language in the bill because we believe it will break the bottleneck and it will give the Expediter—you

can call him a czar or anything else you want to—but it will give him the power we think is necessary, just as Mr. Jeffers had in the matter of the rubber supply. But we are not willing to accept the language of a Member who comes here at the last minute and presents an amendment when the committee has had no opportunity to consider it and which is so far reaching in its effects, whatever they may be with reference to housing, and it may even be that it affects other acts we may not want to touch.

Mr. KEEFE. The gentleman knows I have been pretty busy for 3 months.

Mr. PATMAN. I realize the gentleman has been very busy on the Pearl Harbor Investigating Committee.

Mr. KEEFE. Perhaps that is true. But I will say that I did not go there on my own initiative. I went there at the direction of the Congress.

Mr. PATMAN. I was not criticizing the gentleman at all.

Mr. KEEFE. Well, you may not be criticizing me, but I do not have to worry about your criticism.

Mr. PATMAN. I am not willing to accept this amendment written by the gentleman from Wisconsin. I do not know how far reaching it is.

Mr. KEEFE. Can you read English?

Mr. PATMAN. Not as well as the gentleman. He studied over the language and he wrote it in his own hand.

Mr. KEEFE. Yes; I wrote it in about 2 minutes here on the floor.

Mr. PATMAN. The gentleman from Wisconsin has certain things in mind about it, and I have certain things in mind. I do not think our committee can accept it. We are not willing to accept it. We think the amendment should be defeated.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. BARDEN. In this language which the gentleman read here, the Director shall have the power to issue directives on policy to those Federal departments and agencies which have functions relating to housing. We have heretofore passed legislation granting to the Veterans' Administration the power to make loans for building houses. They have the power to make appraisals and they are making the appraisals. It certainly relates to housing.

Mr. PATMAN. Yes.

Mr. BARDEN. You mean this man can issue directives against the Veterans' Administration?

Mr. PATMAN. Yes. He can cooperate with them and help the veterans get homes. The object is to give priorities and preference to veterans. The Veterans' Administration will welcome this agency, because this will channel materials into making the maximum number of residential housing units for the veterans of World War II and their immediate families.

Mr. BARDEN. In face of the legislation we passed he can issue directives on the Veterans' Administration?

Mr. PATMAN. Yes. And you will not be disappointed at anything Mr. Wyatt does, because he is charged by language written by this Congress to give pref-

erence and priority to veterans. General Bradley will welcome the channeling of materials to these veterans' homes.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MUNDT. Mr. Chairman, I ask for recognition on this amendment.

The CHAIRMAN. Permit the Chair to say that there are 18 other amendments pending. If all the time is consumed on this amendment, there will be no time left to debate the other amendments.

Mr. MUNDT. I understand, but I ask recognition on this amendment.

The CHAIRMAN. What is the gentleman's motion?

Mr. MUNDT. My motion is to strike out the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes on the last word.

Mr. MUNDT. Mr. Chairman, this is probably the most significant amendment we are going to have an opportunity to vote on during the remainder of the consideration of this bill. The gentleman from Wisconsin [Mr. KEEFE] and I worked out the wording of this amendment jointly and for that reason I have insisted on my right to be heard in support of it.

I think Members of this House are seriously interested in the job of producing additional material so that the veterans will have an opportunity to build homes. If we are interested in getting that job done, certainly every Member of this House should support the amendment prepared by the gentleman from Wisconsin [Mr. KEEFE] and myself, which says in effect to Mr. Wilson Wyatt: "You shall have the authority as Expediter to do some expediting to produce supplies so veterans can build homes."

It says precisely what the chairman of the committee says the committee intended to do, that is, give Mr. Wyatt the authority to readjust the prices by which the OPA has been strait-jacketing the building trade and the producers of its supplies. Unfortunately, the language now in the committee bill is so ambiguous that the members of the committee themselves disagree as to its present intent. However, since they have said they expected to have that authority reposed in the Expediter, I can see no reason in the world why it should not be put into the legislation and spelled out specifically so that there can be no uncertainty about it.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. SPENCE. If he has control over the policy of the pricing administration, would not that be control over prices? Is not the policy directed entirely to fixing prices? He has that power now.

Mr. MUNDT. It seems to me there is considerable dispute about that. Some say that what you presume is correct. Some say it is not correct. If what you say is correct, what objection can you have to spelling it out in the language of the bill?

Suppose there is surplusage, it is surplusage in the interest of clarity. If you are actually interested in building houses,

you should not complain because a few more adjectives or a few more words are incorporated in the legislation.

What the gentleman from Wisconsin [Mr. KEEFE] and I are trying to do is to break the neck of the bottle at the point where it has curtailed and disrupted the production of building materials. If this is what the members of the committee mean by what they say, let's adopt this amendment so as to make the bill say what they mean.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Miss SUMNER of Illinois. The reason why they will not accept it is obvious. These powers have all been given to the Office of Price Administration. They are against lifting any restrictions so that materials may be produced.

Mr. MUNDT. Perhaps you are correct. I hope not. I am not sure. This is a test case. This will show whether the gentlemen on the Democratic side are actually interested in producing the additional supplies necessary to get these houses for the veterans or whether they just want another agency to help divide scarcity and police paucity. Unless you get the material, it does not make any difference how many loans you make, or how many bonuses you give, or what priority you give.

Unless you expand the reservoir of material, you will not get houses for the veterans. This is the best opportunity we have had in this legislation up to this time to get supplies needed to build these necessary homes for veterans. We have eliminated a great many of the unsound and objectionable features of the original legislation. Let us now adopt this thoroughly constructive amendment designed to really meet the problem before us.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. GALLAGHER. It seems to me that this bill would give the building contractors the right to bulldoze the Housing Expediter and the OPA.

Mr. MUNDT. Nothing of the kind, because it gives the Expediter himself the authority. It gives the authority to the Expediter.

Mr. GALLAGHER. It is just a challenge to them to bulldoze the Expediter and the OPA in order to get big profits.

Mr. MUNDT. The gentleman should read the amendment. I would like to have him note that it gives the Expediter himself the authority and nobody else. It gives the Expediter the authority to make the necessary adjustments in order to stimulate production of building materials. Certainly that is a logical approach. It is the thing the Committee tells us they want to do. It may be surplusage, but let us be sure the authority is provided for the Expediter to do the job the Committee says it wants him to do. In my study of the bill I am convinced he will not have this power unless we adopt this amendment.

Mr. WOLCOTT. I suggest to the gentleman that the language of the President's Executive order to Mr. Wyatt is very explicit giving the authority con-

tained in the amendment offered by the gentleman from Wisconsin.

Mr. KEEFE. No; he is not given the authority.

Mr. WOLCOTT. Yes; he is.

Mr. MUNDT. He is not given the authority which our amendment provides to make adjustments in price. He is given the authority to direct the OPA and administrative agencies in matters of policy, but that simply gives him the authority to regulate only in matters of policy and in matters of priority. This gives him the authority he needs to direct price regulations and adjustments in spite of anything the OPA does or does not do.

In short, Mr. Chairman, the Keefe-Mundt amendment concentrates full and complete responsibility for the housing program in the hands of the Expediter, who is presently Mr. Wyatt. Under this bill as we propose to amend it with the pending resolution, the Expediter could not only establish priorities for veterans and he could not only expedite the use of presently available materials for veterans' housing, but he would have the further responsibility of directing the Office of Price Administration to make the necessary price adjustments so that the supply of all types of building materials would be stimulated. There could no longer be buck passing between the Office of Price Administration and the Housing Expediter. The responsibility would all repose squarely upon the Expediter, and with that responsibility he would have the authority to get action.

This amendment, Mr. Chairman, would put an end to buck passing and make a beginning in the movement of additional building supplies. Under this amendment Mr. Wyatt would be able to adjust the prices of building materials so that producers, retailers, jobbers, and the other handlers and workers engaged in the building trades and their supply sources would find it profitable to produce to the maximum. Under this amendment Mr. Wyatt can set up new price schedules which will stimulate greatest the supplies which are shortest.

This amendment achieves largely the same results as the Buffett amendment, but it focuses squarely in the Office of Housing Expediter the full responsibility and authority for making available the required building supplies with which to build homes for veterans at the lowest practicable costs. It would also do this by using the normal retail outlets for building supplies and the local labor for home construction. This amendment strengthens the very heart of what we are all apparently trying to do, and it merits your support. I hope it will be adopted.

The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. KEEFE) there were—ayes 87, noes 78.

Mr. PATMAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. PATMAN and Mr. KEEFE.

The committee again divided; and the tellers reported that there were—ayes 102, noes 75.

So the amendment was agreed to.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Mr. Chairman, I would like to inquire what the situation is in relation to amendments pending at the present time?

The CHAIRMAN. There are now 16 amendments on the Clerk's desk.

Mr. McCORMACK. Mr. Chairman, in an effort to have as many Members as possible present their views on amendments I ask unanimous consent that all speeches for the remainder of the time be limited to 2½ minutes per speech.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 12, after line 2, insert the following:

"(d) Until, in the judgment of the director, the existing shortage of housing for veterans shall have been relieved, the Director shall by regulation prevent the use of materials needed for home construction upon buildings or other construction excepting in cases where positive showing is made of the necessity of such construction other than housing to the public welfare, health, or interest."

Mr. VOORHIS of California. Mr. Chairman, the bill as presently written contains permission to the Housing Director to allocate and channel materials into the construction of homes. My amendment puts into the bill a positive direction from the Congress to the Housing Director that until such time as the housing shortage for veterans has been relieved he shall prevent unnecessary construction. I have one clipping here—I could have had a dozen—about the fact that construction activities in southern California are going on, but that two permits to one are for other types of construction than homes, and only one building permit out of three is for a home. Everybody knows that a great deal of construction of night clubs or utterly unnecessary types of construction is going on. It has been admitted here over and over that the real bottleneck in housing is the shortage of materials. I think the best thing this Congress could do would be to write into this law a positive direction that it is the will of Congress that this material shall not be used for anything but homes, excepting where it can be shown that the other construction is definitely in the public interest and welfare. That means, of course, that if a community needs a school, if it needs an office for medical service, if it needs some other type of construction, then that can be carried out, but there must be a showing that it is necessary, otherwise the materials are going to be used for veterans' homes.

I believe, Mr. Chairman, that this effort on the part of Congress to solve this problem is necessary at the present time, and I do not share the views of

the gentlemen who have said that they feel if we would just leave everything alone the veterans would get homes. I do not believe they will. I believe we are up against at least as great a duty and necessity for forthright action as was the case when we went to work to secure housing for war workers during the war. I believe we owe our veterans as straightforward and effective a bill as we can write. I believe this amendment will sharpen the bill in the most vital point in the bill, and I earnestly hope it will be adopted.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the weakness of this amendment is that it puts the burden on a man who desires to build a building other than a home to show affirmatively the necessity for that construction. We want homes for veterans; that is the primary purpose. But there must be other construction in America. This is the reconversion period and there must be other construction. We not only want to give the veteran a home. We must give him a job, and unless we reestablish the industries of America he will have neither a home nor a job. I think it would be very inadvisable to accept this amendment because of the manner in which it is written and the burden it puts on every man who desires to construct a building, not only commercial buildings but churches, schools, and hospitals, or any other character of building. He must affirmatively show the necessity for that, and I think that would be a burden on the builder and the Expediter and would be more regimentation than necessary.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. VOORHIS of California. Will it not be necessary under the gentleman's bill for such a showing to be made, as a matter of fact?

Mr. SPENCE. I think it is discretionary, but here there is no discretion.

Mr. VOORHIS of California. Oh, yes; there is. There is just as much discretion, I believe, as there is in the committee bill.

Mr. SPENCE. The way I read it, he must show the necessity for it, and the affirmative duty is upon the builder to show necessity for it in every case. That is correct, is it not?

Mr. VOORHIS of California. That is correct, and that is the way I think it ought to be.

Mr. SPENCE. That is the issue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Voorhis].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 37, noes 74.

So the amendment was rejected.

Mr. MONRONEY. Mr. Chairman, I offer an amendment. The amendment I offer is the same as the first half of the Wolcott substitute that was read in full to the committee yesterday and has been printed in the CONGRESSIONAL RECORD. It paraphrases the Executive order now in existence. The amendment is long

and time has been limited. Not to impinge on the time of other Members, Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, will we have an opportunity to find out what is in this bill, as amended, before we are called upon to vote for it?

Mr. MONRONEY. I would answer the gentleman by saying this amendment has been in print for the past week. It was inserted in the CONGRESSIONAL RECORD in my remarks a week ago. The substitute offered by the gentleman from Michigan [Mr. Wolcott] was read to the Committee of the Whole yesterday. It is the first half of his substitute that I offer as my amendment.

Mr. HOFFMAN. I understand that, but I am talking about other amendments which have been adopted. How can anyone tell what is in the bill as amended, that is what I want to know. Will I have a chance to look at the whole bill so as to know what is in it and what is not in it?

Mr. MONRONEY. The gentleman was on the floor when the amendments were adopted.

Mr. PATMAN. Reserving the right to object, Mr. Chairman, is it not a fact that this amendment was mimeographed and presented to every member of the Committee on Banking and Currency present at the meeting, and was not this amendment given consideration by the committee? Although the committee did not adopt it, there was no opposition expressed to it at that time. Since the amendment is well known to every member of the committee and has been printed in the RECORD, I hope the request of the gentleman will be granted.

Mr. RIZLEY. Reserving the right to object, Mr. Chairman, did I correctly understand my colleague from Oklahoma to say that this amendment is part of the substitute that was offered yesterday by the gentleman from Michigan, and which was rejected yesterday by a teller vote?

Mr. MONRONEY. May I say to my distinguished colleague from Oklahoma that this paraphrases the Executive order under which Mr. Wyatt is now functioning. The gentleman from Michigan [Mr. Wolcott] had the good judgment to adopt that language in his amendment, and I had the good judgment to adopt it as my amendment.

Mr. RIZLEY. Yesterday I joined with my colleague from Oklahoma in defeating the Wolcott substitute. Do I now understand that the gentleman from Oklahoma is pulling out half of that substitute that we defeated yesterday and offering it as an amendment to this bill?

Mr. MONRONEY. I am taking this part of the Wolcott amendment.

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, will the gentleman explain what particular sections of the bill H. R. 5579, which I offered as a substitute, are included in his amendment?

Mr. MONRONEY. I ask that the Clerk read the first part of the first paragraph of the amendment.

Mr. WOLCOTT. We could get at it very easily if the gentleman would tell us what sections of my substitute he refers to when he says they are in his amendment.

Mr. MONRONEY. It begins on page 2, line 16, with subsection (b), and runs through to line 8 on page 6.

Mr. McCORMACK. Mr. Chairman, debate has been limited, to close at 4 o'clock. Under reservation of objection a Member should not be permitted to deprive other Members of the opportunity to speak. I do not want to demand the regular order, but if there is further discussion on this matter I shall have to demand it.

Mr. PATMAN. I demand the regular order, Mr. Chairman.

Mr. WOLCOTT. The regular order is the reading of this amendment.

Mr. McCORMACK. The regular order is putting the question on the request of the gentleman from Oklahoma.

Mr. WOLCOTT. I am trying to save some time.

Mr. PATMAN. This goes down to page 5, line 12.

Mr. WOLCOTT. All right, we will have the regular order, and I object.

Mr. McCORMACK. I have not asked for it yet.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. WOLCOTT. I object, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: On page 3, line 9, after "(702)", strike out the balance of page 3 and insert:

"(a) There is hereby created an office to be known as Housing Expediter; and the President is authorized to designate an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as independent officer of the Government. In the event of a designation of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his designation hereunder. If, however, such Housing Expediter is appointed, his appointment shall, if within an existing agency of the Government, be subject to the laws and regulations governing the appointment of officers within such agency and he shall receive compensation in compliance with such laws and regulations; if the Housing Expediter is appointed as an independent officer of the Government, then such appointment shall be made by and with the advice and consent of the Senate of the United States and he shall receive compensation at the rate of \$12,000 per annum.

"(b) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

"(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families:

"(2) issue such orders, regulations, or directives to other executive agencies as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and

programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

"(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

"(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

"(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

"(d) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Housing Expediter to carry out the provisions of this title and such plans and programs as such Housing Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Housing Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

"(2) The powers so transferred shall continue during the period in which this act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944."

Miss SUMNER of Illinois (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. WOLCOTT. I object.

Miss SUMNER of Illinois. It is obvious that it is an attempt to put the United States Government in complete control of housing.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, as I said in seeking unanimous consent to waive the reading of the amendment in order to save the time of the committee and give the proponents of other amendments a chance to debate their amendments at greater length, this carries substantially the same language as the first part of the Wolcott substitute. It carries substantially the same powers that Mr. Wyatt has today under the Second War Powers Act through the executive order. It clarifies the bill and improves the Patman bill by providing not for two offices but for just one office in the Government which will handle housing, the Office of the Housing Expediter. If we do not make this corrective amendment, we will be establishing a Director of Housing Stabilization and also have a man operating under Executive order as Housing Expediter. It is purely for the purpose of clarification. It does help

define the responsibility of the Housing Expediter to issue directives to other agencies, such as OPA, to correct restrictive pricing, where it limits an adequate supply of homebuilding material. I think we have heard enough debate on that in the last eight days to the point where my Republican friends will be in favor of that part of the amendment, at least.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Chairman, of course, this language should be adopted if the Expediter is going to have clear authority to do the job he is appointed to do. If this language had been adopted by the committee before the Keefe amendment was discussed, then there would have been no necessity for the Keefe amendment, because it is clear in this language that the Expediter is given authority not only to direct policies but to direct the effectuation of those policies by the authority which this section contains, and to direct action in respect to policies to other branches of the executive establishments as well as to the policy itself.

This language is very clear and gives the Expediter all of the authority which any agency of the Government now has in the building field. It gives him this authority independently of the authority contained in the War Powers Act, or any other law. So should the War Powers Act terminate by operation of law on June 30, the powers to do the job of Expediter will continue until June 30, 1947.

I believe the gentleman from Oklahoma, in offering this language, represents the majority of the committee, and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I have an amendment to page 3 on the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 3, at the end of line 19, strike out the period, insert a colon, and the following:

"Provided, however, That no person except the aforesaid Director serving hereunder or under any other agency of the Government to which the functions herein authorized may be delegated or otherwise transferred, shall participate in the formulation or promulgation of any policy relating to the construction, sale, and/or rental of any housing accommodation, or lands to be used in connection therewith, to which this act applies, or to an appraisal of the value of such lands or housing accommodation, who has not had 5 years or more of actual commercial experience in such field."

The CHAIRMAN. The Chair calls attention to the fact that the gentleman's amendment is an amendment to a section that is not now in the bill.

Mr. DIRKSEN. I withdraw the amendment, Mr. Chairman, and I offer another amendment.

The CHAIRMAN. The gentleman withdraws the amendment, and the Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 17, after line 6, insert a new section, as follows:

"SEC. 711. In the administration of the National Housing Act as amended and the United States Housing Act of 1937 as amended and in making available the benefits of said acts as amended, there shall be no discrimination on account of race, creed, color, or national origin, and in addition thereto maximum preferences and priorities shall be secured to veterans of World War II and their immediate families."

Mr. SPENCE. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard?

Mr. DIRKSEN. No; I think the amendment speaks for itself.

The CHAIRMAN (Mr. COOPER). The gentleman from Illinois [Mr. DIRKSEN] offers an amendment which has been reported. The gentleman from Kentucky makes a point of order against the amendment on the ground it is not germane. Obviously, the gentleman's amendment is much too broad to come within the purview of the pending bill. The amendment relates to the National Housing Act as amended, the United States Housing Act of 1937, as amended. The point of order is sustained.

Mr. DIRKSEN. Mr. Chairman, I offer the amendment in different form.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 17, after line 6, insert a new section, as follows:

"Sec. 711. In the administration of the National Housing Act as amended, and in making available the benefits of said act as amended, there shall be no discrimination on account of race, creed, color, or national origin, and in addition thereto maximum preferences and priorities shall be secured to veterans of World War II and their immediate families."

Mr. SPENCE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. This amendment also is not germane. It goes farther than the other amendment, it seems to me.

We want no discrimination, of course, in the administration of this bill, but it is entirely unessential to put in such reservations as the gentleman proposes in his amendment. It would have an effect that would not be beneficial at all. I hope the point of order will be sustained.

Mr. DIRKSEN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. DIRKSEN. Clearly, Mr. Chairman, the bill before us is nothing more than an additional developing of the National Housing Act, it amends the entire act in many particulars. So the amendment before us now relates only to the Housing Act which is presently covered by the bill and is very definitely before the Committee of the Whole.

The CHAIRMAN. The gentleman's amendment would take in entirely different provisions of the Housing Act than that contained to in the pending bill.

The point of order is sustained.

Mr. GWYNNE of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE of Iowa: Page 13, line 14, after the word "law", insert "Is unsupported by competent, material, and substantial evidence."

The CHAIRMAN. The gentleman from Iowa is recognized for 2½ minutes.

Mr. GWYNNE of Iowa. Mr. Chairman, there was a time in this country when the courts could be depended upon to protect the rights of every individual no matter how humble, and against any power, no matter how great. That day is rapidly going by. Part of the fault may be charged to the courts, but most of it may be laid right here in this Congress for adopting legislation similar to that which we have in section 707 of this bill.

If you will look at the appeal provided in this section, you will see it is useless and fraudulent. Take a look at it. In the first place, it changes the usual order and burden of proof. Ordinarily that party who has the burden of proof in the trial court still carries the burden of proof in the appellate court. This bill would change that.

Next, consider how restricted the powers of the court would be. Here is what the court could do: It could examine the record; it could find that such action was not in accordance with law. What does that mean? All that means is that the court will read the law, and if the court thinks the law means something different than the tribunal that originally acted thought it meant, the court's view would prevail. Of course, it would, anyway, under the Constitution.

Then there is the language, "or is arbitrary or capricious." That means that if there is any evidence whatever of any kind or character the court would be powerless to grant any relief.

The wording I have put in here is taken from the McCarran-Sumners administrative law bill which has been reported favorably by a committee in the Senate, and which bill I hope someday will become law. It is language that has been used in many statutes, it has been construed by the courts a thousand times, and every court knows exactly what it means.

What the whole provision would mean, then, if this were adopted, is simply that a court reviewing these appeals would have some authority to look at evidence and would reverse the action of the tribunal if there were not substantial evidence to support it.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

Mr. Chairman, the language in the bill is exactly the language used in all this emergency legislation. The reason for that is obvious. We are giving powers here which are broad powers, they are powers we ordinarily would not give in times of peace, but give only in times of emergency or reconversion.

If you were to so restrict the expediter as this language in the amendment contemplates, he would not have time between now and June 30, 1947, to issue a

half-dozen orders. Do you know what this language says? It says that for every regulation he issues he must have evidence to support it by competent material or material of a substantive nature to support that regulation. Well, certainly, he will have it, but why should he have it in advance? If he is brought into court, the court would say, "Now, you have issued this order, it is in the public interest, we do not deny that, but where is the evidence that you had before you issued this regulation?" "Well, I did not have time to get all of them down in black and white before I issued the regulations." The judge would have to throw it out under the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

Another thing, it would permit every regulation to be tied up in court immediately and nothing could be done until the court finally disposed of it. This would mean that every one of them would be tied up in court until this law expires.

Mr. Chairman, this is not new. It has come up in connection with OPA every time, always somebody trying to scuttle OPA by putting just this kind of an amendment into the act. If you want to scuttle the bill for veterans' emergency housing vote for this amendment, because it will successfully scuttle it and render it inoperative.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 97, noes 73.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. GWYNNE of Iowa.

The Committee again divided; and the tellers reported that there were—ayes 135, noes 102.

So the amendment was agreed to.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Strike out all of section 703.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, my amendment strikes out section 703 which would give the building czar power to go into the books and files of all persons, firms, corporations, or others having to do with the production, distribution, sale, or handling in any manner of the materials that go into the construction of homes, including lands and improvements. This is a most vicious provision and in my opinion its presentation to the Congress at this time is not very encouraging. It certainly does not check with the policy which has been announced by the administration that wartime controls will be removed. So far as I know this extraordinary grant of power

to the Government was not even requested to prosecute the war. It shows absolute lack of faith in the honesty and integrity of the American people and an unmitigated desire to acquire political power.

Just recently, as I mentioned to the House a few days ago, the Nation went through the shocking experience of seeing the Chief Executive make the attempt to force one of four largest, finest, and most valuable corporations, General Motors, to open its books to his fact-finding board. The thoughtful people were literally stunned. Fortunately, public sentiment was so thoroughly aroused that the Executive was compelled to recede.

Notwithstanding, here is written into the Patman bill a specific provision to make legal and vest in the President—Mr. Wyatt is a Presidential appointee—the very dictatorial power which the whole Nation so overwhelmingly condemned the Executive for attempting to usurp.

Striking out section 703 would also eliminate those provisions which direct the Director to require any person who deals in, sells, rents, or buys or offers to sell, rent, or buy any housing accommodations to furnish him information under oath, keep records, make reports in respect to such dealings, sales, rentals, purchases, or offers. It strikes out the language which would give the housing czar the power of subpoena and the unconscionable penalties, \$5,000 fine or a year of imprisonment or both for violation. If this provision is not stricken out it will so frighten thousands of home builders as to drive them out of business.

I do not see how any person seeking to be elected to the Congress of the United States can possibly go before the people of this Nation and claim that they are for the removal of wartime restrictions and at the same time support section 703 of the Patman bill, which would vest the Executive with such extraordinary powers.

I trust this amendment will be adopted by an overwhelming majority of the House. Such action would bring hope to our people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. HINSHAW) there were—ayes 97, noes 107.

Mr. SMITH of Ohio. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed Mr. PATMAN and Mr. SMITH of Ohio to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 145, noes 130.

So the amendment was agreed to.

The CHAIRMAN. All time for debate having expired, if Members desire to offer further amendments, they will now have the opportunity to do so.

Mr. WOLCOTT. Mr. Chairman, in view of the action taken by the Committee in adopting the Monroney amendment setting up an Expediter in place of the Office of Housing Stabilization, which provided for a director, I ask unanimous

consent that wherever the word "Director" appears in the bill, it be changed to read "Expediter."

Mr. SPENCE. There is no objection to that.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment, which is on the desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 6, line 1, after "accommodations", insert "the construction of which is completed after the effective date of this act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. HANCOCK. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK: On page 14, line 4, after "who", insert "knowingly."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The question was taken; and on a division (demanded by Mr. HANCOCK) there were—ayes 126, noes 109.

So the amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 10, after line 19, insert a new subsection:

"(f) In the construction and occupancy of the facilities authorized by this title there shall be no discrimination because of membership or nonmembership in any labor organization."

Mr. SPENCE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman from Kentucky will state his point of order.

Mr. SPENCE. I make a point of order against the amendment on the ground it is not germane to the bill.

Mr. HOFFMAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Michigan on the point of order.

Mr. HOFFMAN. On the point of order; yes, Mr. Chairman, with permission to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Chairman, this bill is designed, so we have been told for 6 or 8 days, to provide homes for veterans. If that be the purpose, there should be no discrimination against returning veterans who have been discriminated against in employment and jobs because they were not members of a union. Certainly the House, if it wants to do something for the veterans, should not permit a bill to go through under which and under administrative practices the returning veterans can be deprived of an opportunity to aid in the construction of homes, and of an opportunity to occupy the homes provided by

this bill just because they do not belong to a particular labor organization.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard further on the point of order?

Mr. SPENCE. Mr. Chairman, this is addressed to an administrator who is to administer a law of the United States. Do we have to say to him that he shall not discriminate against any of the people of the United States?

Veterans should not be discriminated against on account of race, color, or national origin. Certainly, we need no such directive to an administrator under the laws of the United States.

There assuredly is going to be no discrimination; and, as far as this particular amendment is concerned, it is not even remotely connected with the purposes of the bill. It deals with a matter which is not in the jurisdiction of our committee and I ask that the point of order be sustained.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. As I understood the reading of the amendment it relates to discrimination on the basis of membership or nonmembership in a labor union. Just now, however, I thought I heard the gentleman from Kentucky talking about discrimination on the basis of race, creed, or color.

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. CASE of South Dakota. The inquiry, Mr. Chairman, is: On what is the amendment based? Membership or nonmembership in a labor union? Or on racial discrimination?

The CHAIRMAN. The amendment has been offered and the Chair is prepared to rule on the question presented.

The gentleman from Michigan [Mr. HOFFMAN] offered an amendment which the Clerk has reported. The gentleman from Kentucky [Mr. SPENCE] has made a point of order against the amendment on the ground it is not germane to the pending bill.

The Chair invites attention to the language of the amendment itself:

In the construction and occupancy of the facilities authorized by this title there shall be no discrimination because of membership or nonmembership in any labor organization.

The Chair does not know of any provision in the pending bill which seeks to provide by regulation for the occupancy of buildings sought to be constructed under authority of the pending bill. The amendment, apparently, is much broader in its scope than that embraced within the provisions of the pending bill.

The Chair sustains the point of order.

Are there any other amendments to be offered? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole, reported that that Committee having had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the

sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, pursuant to House Resolution 530, directed him to report the same back to the House with sundry amendments agreed to by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, I demand a separate vote on the amendment offered by the gentleman from Ohio [Mr. SMITH] and on the amendment offered by the gentleman from Iowa [Mr. GWYNNE].

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. MONRONEY. Mr. Speaker, I demand a separate vote on the so-called committee amendments on page 5, line 22, and page 9, line 3, fixing a ceiling on existing houses.

The SPEAKER. Is a separate vote demanded on any other amendment? If not the Chair will put them en gross.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, inasmuch as a separate vote has been demanded on three amendments, and undoubtedly each will involve a roll call, would not it expedite matters if this were put over until tomorrow so that an engrossed copy of the bill could be read?

The SPEAKER. That is not a parliamentary inquiry.

The question is on agreeing to the other amendments.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 4, line 1, strike out all of section 703.

The SPEAKER. The question is on the amendment.

Mr. SPENCE and Mr. PATMAN demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 209, nays 174, answered "present" 1, not voting 47, as follows:

[Roll No. 42]

YEAS—209

Abernethy	Butler	Elliott
Adams	Byrnes, Wis.	Ellis
Allen, Ill.	Campbell	Ellsworth
Andersen,	Canfield	Elsaesser
H. Carl	Carlson	Elston
Anderson, Calif.	Case, N. J.	Engel, Mich.
Andresen,	Case, S. Dak.	Fellows
August H.	Chenoweth	Fenton
Andrews, Ala.	Chipherfield	Fuller
Angell	Church	Fulton
Arends	Clason	Gamble
Arnold	Clevenger	Gathings
Auchincloss	Clippinger	Gavin
Barden	Cole, Mo.	Gearhart
Barrett, Wyo.	Cole, N. Y.	Gerlach
Bates, Mass.	Colmer	Gibson
Bell	Corbett	Gifford
Bender	Cox	Gillespie
Bennett, Mo.	Cravens	Gillette
Bishop	Crawford	Gillie
Blackney	Cunningham	Goodwin
Bolton	Curtis	Graham
Boren	Dirksen	Grant, Ind.
Bradley, Mich.	Dolliver	Griffiths
Brehm	Dondero	Gross
Brown, Ohio	Dworshak	Gwinn, N. Y.
Brumbaugh	Earthman	Gwynne, Ia.
Buffett	Eaton	Hagen

Hall,	Edwin Arthur	McDonough	Short
Hall,	Leonard W.	McGehee	Sikes
Halleck		McMillen, Ill.	Simpson, Ill.
Hancock		Maloney	Simpson, Pa.
Hand		Martin, Iowa	Slaughter
Harris		Martin, Mass.	Smith, Maine
Hartley		Mason	Smith, Ohio
Hébert		Mathews	Smith, Wis.
Hendricks		Merrow	Springer
Heselton		Mitchener	Stefan
Hess		Mills	Stevenson
Hill		Mundt	Stewart
Hinshaw		Murray, Tenn.	Stockman
Hoeven		Murray, Wis.	Sumner, Ill.
Hoffman		Norblad	Summers, Tex.
Hope		Norrell	Sundstrom
Horan		O'Hara	Taber
Howell		Peterson, Fla.	Talbot
Jenkins		Phillips	Talle
Jennings		Pickett	Tarver
Jensen		Pittenger	Taylor
Johnson, Calif.		Ploeser	Thomas, N. J.
Johnson, Ill.		Plumley	Tibbott
Johnson, Ind.		Price, Fla.	Towe
Jones		Ramey	Vinson
Jonkman		Rankin	Vorys, Ohio
Kean		Reece, Tenn.	Vursell
Kearney		Reed, Ill.	Wadsworth
Keefe		Rees, Kans.	Weichel
Kelly, Ill.		Rich	West
Kilday		Rizley	Whitten
Kinzer		Robertson,	Whittington
Kunkel		N. Dak.	Wigglesworth
Lanham		Robison, Ky.	Wilson
Larcade		Rockwell	Winstead
Latham		Rodgers, Pa.	Winter
LeCompte		Roe, Md.	Wolcott
LeFevre		Rogers, Fla.	Wolfenden, Pa.
Lemke		Rogers, Mass.	Wolverton, N. J.
Lewis		Russell	Wood
Luce		Schwabe, Okla.	Woodruff
McCowan		Sclivner	Worley
		Shafer	
		Sharp	

NAYS—174

Allen, La.	Gary	Monroney
Almond	Geelan	Morgan
Bailey	Gordon	Murdock
Baldwin, Md.	Gore	Murphy
Barrett, Pa.	Gorski	Neely
Barry	Granahan	O'Brien, Ill.
Bates, Ky.	Granger	O'Brien, Mich.
Beckworth	Grant, Ala.	O'Konski
Biemiller	Green	O'Neal
Bloom	Gregory	O'Toole
Boykin	Hare	Outland
Bradley, Pa.	Harless, Ariz.	Pace
Brooks	Hart	Patman
Brown, Ga.	Havenner	Patrick
Bryson	Hays	Patterson
Buckley	Healy	Pfeifer
Bulwinkle	Hedrick	Philbin
Bunker	Heffernan	Poage
Burch	Hobbs	Price, Ill.
Burgin	Hoch	Priest
Byrne, N. Y.	Hollifield	Quinn, N. Y.
Camp	Holmes, Wash.	Rabaut
Carnahan	Hook	Rabin
Celler	Huber	Rayfiel
Chelf	Hull	Resa
Clements	Izac	Richards
Cochran	Johnson,	Riley
Coffee	Luther A.	Robertson, Va.
Combs	Johnson,	Roe, N. Y.
Cooley	Lyndon B.	Rogers, N. Y.
Cooper	Johnson, Okla.	Rooney
Courtney	Kee	Rowan
Crosser	Kefauver	Ryder
D'Alesandro	Keogh	Sabath
Daughton, Va.	Kerr	Sadowski
Davis	King	Sascer
Dawson	Kirwan	Savage
De Lacy	Klein	Sheppard
Delaney	Kopplemann	Sheridan
James J.	LaFollette	Smith, Va.
Delaney,	Lane	Somers, N. Y.
John J.	Lea	Sparkman
Doughton, N. C.	Lesinski	Spence
Douglas, Calif.	Link	Starkey
Douglas, Ill.	Ludlow	Sullivan
Doyle	Lyle	Thomason
Drewry	Lynch	Tolan
Durham	McCormack	Torrens
Eberharter	McGlinchey	Traynor
Engle, Calif.	McMillan, S. C.	Trimble
Ervin	Madden	Voorhis, Calif.
Fallon	Mahon	Walter
Feighan	Manasco	Wasielewski
Fernandez	Mankin	Weaver
Flannagan	Mansfield,	Welch
Flood	Mont.	White
Fogarty	Mansfield, Tex.	Wickersham
Folger	Marcantonio	Woodhouse
Forand	May	Zimmerman
Gallagher	Miller, Calif.	

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—47

Andrews, N. Y.	Gardner	McKenzie
Baldwin, N. Y.	Gossett	Miller, Nebr.
Beall	Hale	Morrison
Bennet, N. Y.	Harness, Ind.	Norton
Bland	Henry	Peterson, Ga.
Bonner	Herter	Powell
Buck	Holmes, Mass.	Rains
Cannon, Fla.	Jackson	Randolph
Cannon, Mo.	Jarman	Reed, N. Y.
Chapman	Judd	Rivers
Clark	Kelley, Pa.	Robinson, Utah
Cole, Kans.	Kilburn	Schwabe, Mo.
Curley	Knutson	Stigler
D'Ewart	Landis	Thom
Domengeaux	McConnell	Thomas, Tex.
Fisher	McGregor	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Dingell against.
Mr. Schwabe of Missouri for, with Mrs. Norton against.

Mr. Henry for, with Mr. Rivers against.

Mr. Andrews of New York for, with Mr. Kelley of Pennsylvania against.

Mr. Miller of Nebraska for, with Mr. Chapman against.

Mr. Herter for, with Mr. Stigler against.

Mr. Buck for, with Mr. Powell against.

Mr. Holmes of Massachusetts for, with Mr. Gardner against.

Mr. Hale for, with Mr. Curley against.

General pairs until further notice:

Mr. Jarman with Mr. Reed of New York.
Mr. Randolph with Mr. McGregor.
Mr. Morrison with Mr. Kilburn.
Mr. Domengeaux with Mr. Beall.
Mr. Clark with Mr. Judd.
Mr. Bonner with Mr. Harness of Indiana.
Mr. McKenzie with Mr. McConnell.
Mr. Thom with Mr. Baldwin of New York.
Mr. Bland with Mr. Bennet of New York.
Mr. Cannon of Missouri with Mr. Cole of Kansas.

Mr. DINGELL. Mr. Speaker, I have a live pair with the gentleman from Minnesota, Mr. KNUTSON. Were he present he would have voted "aye." I having voted "no" withdraw my vote of "no" and vote "present."

Mr. HARRIS changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Page 5, line 21, insert the following language: "The construction of which is completed after the effective date of this title."

Mr. MONRONEY. Mr. Speaker, this amendment is interrelated with an amendment on page 9. Both deal with the ceiling on existing houses. I ask unanimous consent that these two amendments may be considered en bloc.

Mr. WOLCOTT. Mr. Speaker, I object.

The SPEAKER. The question is on the amendment.

Mr. MONRONEY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RANKIN. Mr. Speaker, may we have the amendment reported? We do not know what the amendment is.

The SPEAKER. It was just reported, but without objection the Clerk will again read the amendment.

There was no objection.

The Clerk again read the amendment.

The question was taken; and there were—yeas 249, nays 134, answered "present" 1, not voting 47, as follows:

[Roll No. 43]

YEAS—249

Abernethy	Gavin	Mundt
Adams	Gearhart	Murray, Tenn.
Allen, Ill.	Gerlach	Murray, Wis.
Allen, La.	Gibson	Norblad
Almond	Gifford	Norrell
Andersen,	Gillespie	O'Hara
H. Carl	Gillette	Pace
Anderson, Calif.	Gillie	Peterson, Fla.
Andresen,	Goodwin	Phillips
August H.	Graham	Pickett
Andrews, Ala.	Grant, Ala.	Pittenger
Angell	Grant, Ind.	Ploeser
Arends	Griffiths	Plumley
Arnold	Gross	Poage
Auchincloss	Gwynn, N. Y.	Price, Fla.
Baldwin, Md.	Gwynne, Iowa	Ramey
Barden	Hagen	Rankin
Barrett, Wyo.	Hall	Reece, Tenn.
Bates, Mass.	Edwin Arthur	Reed, Ill.
Bell	Hall	Rees, Kans.
Bender	Leonard W.	Rich
Bennett, Mo.	Halleck	Richards
Bishop	Hancock	Riley
Blackney	Hand	Rizley
Bolton	Hare	Robertson,
Boren	Harris	N. Dak.
Boykin	Hart	Robertson, Va.
Bradley, Mich.	Hartley	Robison, Ky.
Brehm	Hébert	Rockwell
Brooks	Hendricks	Rodgers, Pa.
Brown, Ga.	Heseltun	Roe, Md.
Brown, Ohio	Hess	Rogers, Fla.
Brumbaugh	Hill	Rogers, Mass.
Bryson	Hinshaw	Russell
Buffett	Hobbs	Schwabe, Okla.
Bulwinkle	Hoeven	Scrivner
Burch	Hoffman	Shafer
Butler	Hope	Sharp
Byrnes, Wis.	Horan	Short
Camp	Howell	Sikes
Campbell	Jenkins	Simpson, Ill.
Carlson	Jennings	Simpson, Pa.
Case, N. J.	Jensen	Slaughter
Case, S. Dak.	Johnson, Calif.	Smith, Ohio
Chenoweth	Johnson, Ill.	Smith, Va.
Chiperfield	Johnson, Ind.	Smith, Wis.
Church	Johnson,	Springer
Clason	Luther A.	Stefan
Clevenger	Jones	Stevenson
Clippinger	Jonkman	Stewart
Cole, Mo.	Kean	Stockman
Cole, N. Y.	Kearney	Sumner, Ill.
Colmer	Keefe	Sumners, Tex.
Combs	Kefauver	Sundstrom
Cooley	Keogh	Taber
Corbett	Kerr	Talbot
Cox	Kilday	Talle
Cravens	Kinzer	Tarver
Crawford	Kunkel	Taylor
Cunningham	Lanham	Thomas, N. J.
Curtis	Larcade	Thomason
Daughton, Va.	Latham	Tibbott
Dirksen	Lea	Towe
Dolliver	LeCompte	Trimble
Dondero	LeFevre	Vinson
Doughton, N. C.	Leake	Vorys, Ohio
Durham	Lewis	Vursell
Dworshak	Luce	Wadsworth
Earthman	Lyle	Walter
Eaton	McCowan	Weaver
Elliott	McGehee	Weichel
Ellis	McMillan, S. C.	West
Ellsworth	McMillen, Ill.	Whitten
Elsaesser	Mahon	Whittington
Elston	Maloney	Wigglesworth
Engel, Mich.	Manasco	Wilson
Engle, Calif.	Mansfield, Tex.	Winstead
Ervin	Martin, Iowa	Winter
Fellows	Martin, Mass.	Wolcott
Fenton	Mason	Wolfenden, Pa.
Flannagan	Mathews	Wolverton, N. J.
Fuller	May	Wood
Gamble	Merrow	Woodruff
Gary	Michener	Worley
Gathings	Mills	Zimmerman

NAYS—134

Bailey	Biemiller	Burgin
Barrett, Pa.	Bloom	Byrne, N. Y.
Barry	Bradley, Pa.	Canfield
Bates, Ky.	Buckley	Carnahan
Beckworth	Bunker	Celler

Chelf	Hedrick	O'Neal
Clements	Heffernan	O'Toole
Cochran	Hoch	Outland
Coffee	Holifield	Patman
Cooper	Holmes, Wash.	Patrick
Courtney	Hook	Patterson
Crosser	Huber	Pfeifer
D'Alessandro	Hull	Philbin
Davis	Izac	Price, Ill.
Dawson	Johnson,	Priest
De Lacy	Lyndon B.	Quinn, N. Y.
Delaney,	Johnson, Okla.	Rabaut
James J.	Kee	Rabin
Delaney,	Kelly, Ill.	Rayfiel
John J.	King	Resa
Douglas, Calif.	Kirwan	Roe, N. Y.
Douglas, Ill.	Klein	Rogers, N. Y.
Doyle	Kopplemann	Rooney
Drewry	LaFollette	Rowan
Eberharter	Lane	Ryter
Fallon	Lesinski	Sabath
Feighan	Link	Sadowski
Fernandez	Ludlow	Sasser
Flood	Lynch	Savage
Fogarty	McCormack	Sheppard
Folger	McDonough	Sheridan
Forand	McGlinchey	Smith, Maine
Fulton	Madden	Somers, N. Y.
Gallagher	Mankin	Sparkman
Geelan	Mansfield,	Spence
Gordon	Mont.	Starkey
Gore	Marcantonio	Sullivan
Gorski	Miller, Calif.	Tolan
Granahan	Monroney	Torrens
Granger	Morgan	Traynor
Green	Murdock	Voorhis, Calif.
Gregory	Murphy	Wasielewski
Harless, Ariz.	Neely	Welch
Havener	O'Brien, Ill.	White
Hays	O'Brien, Mich.	Wickersham
Healy	O'Konski	Woodhouse

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—47

Andrews, N. Y.	Gardner	McKenzie
Baldwin, N. Y.	Gossett	Miller, Nebr.
Beall	Hale	Morrison
Bennet, N. Y.	Harness, Ind.	Norton
Bland	Henry	Peterson, Ga.
Bonner	Herter	Powell
Buck	Holmes, Mass.	Rains
Cannon, Fla.	Jackson	Randolph
Cannon, Mo.	Jarman	Reed, N. Y.
Chapman	Judd	Rivers
Clark	Kelley, Pa.	Robinson, Utah
Cole, Kans.	Kilburn	Schwabe, Mo.
Curley	Knutson	Stigler
D'Ewart	Landis	Thom
Domengeaux	McConnell	Thomas, Tex.
Fisher	McGregor	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Dingell against
Mr. Schwabe of Missouri for, with Mrs. Norton against.

Mr. Hale for, with Mr. Gardner against.
Mr. Holmes of Massachusetts for, with Mr. Curley against.

Mr. Buck for, with Mr. Powell against.
Mr. Herter for, with Mr. Stigler against.
Mr. McConnell for, with Mr. Kelley of Pennsylvania against.

Additional general pairs:

Mr. Jarman with Mr. Reed of New York.
Mr. Randolph with Mr. McGregor.
Mr. Morrison with Mr. Kilburn.
Mr. Domengeaux with Mr. Beall.
Mr. Clark with Mr. Judd.
Mr. Bonner with Mr. Harness of Indiana.
Mr. Thom with Mr. Baldwin of New York.
Mr. Bland with Mr. Bennet of New York.
Mr. Cannon of Missouri with Mr. Cole of Kansas.
Mr. McKenzie with Mr. Miller of Nebraska.
Mr. Rivers with Mr. Henry.
Mr. Thomas of Texas with Mr. Andrews of New York.

Mr. DINGELL. Mr. Speaker, I have a live pair with my colleague the gentleman from Minnesota, Mr. KNUTSON. If he were present he would have voted

"yea." I voted "nay." I withdraw my vote and vote "present."

Mr. BALDWIN of Maryland changed his vote from "nay" to "aye."

Mr. DRURY changed his vote from "aye" to "nay."

Mr. ALMOND changed his vote from "nay" to "aye."

Mr. FALLON changed his vote from "aye" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Committee amendment: On page 9, line 3, strike out lines 3 to 12, inclusive.

The question was taken; and the Chair being in doubt, the committee divided; and there were—ayes 26, noes 129.

Mr. WOLCOTT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. In the first place, I do not know whether the microphone is working, but at any rate we cannot hear and I ask unanimous consent that the amendment may again be read so we may know which way to vote.

The SPEAKER. Without objection, the Clerk will again read the amendment.

There was no objection.

The Clerk again read the amendment.

The SPEAKER. The question is on the amendment.

The question was taken; and there were—yeas 246, nays 134, answered "present" 1, not voting 50, as follows:

[Roll No. 44]

YEAS—246

Abernethy.	Case, N. J.	Gearhart
Adams	Case, S. Dak.	Gerlach
Allen, Ill.	Chenoweth	Gibson
Allen, La.	Chiperfield	Gifford
Almond	Church	Gillespie
Andersen,	Clason	Gillette
H. Carl	Clevenger	Gillie
Anderson, Calif.	Clippinger	Goodwin
Andresen,	Cole, Mo.	Graham
August H.	Cole, N. Y.	Grant, Ala.
Andrews, Ala.	Colmer	Grant, Ind.
Angell	Combs	Griffiths
Arends	Cooley	Gross
Arnold	Corbett	Gwynn, N. Y.
Auchincloss	Cox	Gwynne, Iowa
Baldwin, Md.	Cravens	Hagen
Barden	Crawford	Hall
Barrett, Wyo.	Cunningham	Edwin Arthur
Bates, Mass.	Curtis	Hall
Bell	Daughton, Va.	Leonard W.
Bender	D'Ewart	Halleck
Bennett, Mo.	Dirksen	Hancock
Bishop	Dolliver	Hand
Blackney	Dondero	Hare
Bolton	Doughton, N. C.	Harris
Boren	Dworshak	Hart
Boykin	Earthman	Hartley
Bradley, Mich.	Eaton	Hébert
Brehm	Elliott	Hendricks
Brooks	Ellis	Heseltun
Brown, Ga.	Ellsworth	Hess
Brown, Ohio	Elsaesser	Hill
Brumbaugh	Elston	Hinshaw
Bryson	Engel, Mich.	Hobbs
Buffett	Engle, Calif.	Hoeven
Bulwinkle	Ervin	Hoffman
Bunker	Fellows	Hope
Burch	Fenton	Horan
Butler	Fuller	Howell
Byrnes, Wis.	Gamble	Jenkins
Camp	Gary	Jennings
Campbell	Gathings	Jensen
Carlson	Gavin	Johnson, Calif.

Johnson, Ill.	Mundt	Smith, Ohio
Johnson, Ind.	Murray, Tenn.	Smith, Wis.
Johnson, Luther A.	Murray, Wis.	Springer
Jones	Norrell	Stefan
Jonkman	O'Hara	Stevenson
Kean	Pace	Stewart
Kearney	Peterson, Fla.	Stockman
Keefe	Phillips	Sumner, Ill.
Kefauver	Pickett	Sumners, Tex.
Keogh	Pittenger	Sundstrom
Kerr	Ploeser	Taber
Kilday	Plumley	Talbot
Kinzer	Poage	Talle
Kunkel	Price, Fla.	Tarver
Lanham	Ramey	Taylor
Larcade	Rankin	Thomas, N. J.
Latham	Reece, Tenn.	Tibbott
Lea	Reed, Ill.	Towle
LeCompte	Rees, Kans.	Trimble
LeFevre	Rich	Vinson
Lemke	Richards	Vorys, Ohio
Lewis	Riley	Vursell
Luce	Rizley	Wadsworth
Lyle	Robertson,	Walter
McCowan	N. Dak.	Wasielewski
McGehee	Robertson, Va.	Weaver
McMillan, S. C.	Robison, Ky.	Weichel
McMillen, Ill.	Rockwell	West
Mahon	Rodgers, Pa.	Whitten
Maloney	Roe, Md.	Whittington
Manasco	Rogers, Fla.	Wigglesworth
Mansfield, Tex.	Rogers, Mass.	Wilson
Martin, Iowa	Russell	Winstead
Martin, Mass.	Schwabe, Okla.	Winter
Mason	Scrivner	Wolcott
Mathews	Shafer	Wolfenden, Pa.
May	Sharp	Wolverton, N. J.
Merrow	Short	Wood
Michener	Sikes	Woodruff
Mills	Simpson, Ill.	Worley
	Slaughter	Zimmerman

NAYS—134

Barrett, Pa.	Gorski	Norblad
Barry	Granahan	O'Brien, Ill.
Bates, Ky.	Granger	O'Brien, Mich.
Beckworth	Green	O'Konski
Biemiller	Gregory	O'Neal
Bloom	Harless, Ariz.	O'Toole
Bradley, Pa.	Havenner	Outland
Buckley	Hays	Patman
Burgin	Healy	Patrick
Byrne, N. Y.	Hedrick	Patterson
Canfield	Hefferman	Pfeiffer
Carnahan	Hoch	Philbin
Celler	Hollfield	Price, Ill.
Chelf	Holmes, Wash.	Priest
Clements	Hook	Quinn, N. Y.
Cochran	Huber	Rabaut
Coffee	Hull	Rabin
Cooper	Izac	Rayfield
Courtney	Johnson,	Resa
Crosser	Lyndon B.	Rogers, N. Y.
D'Alesandro	Kee	Rooney
Davis	Kelly, Ill.	Rowan
Dawson	King	Ryter
De Lacy	Kirwan	Sabath
Delaney,	Klein	Sadowski
James J.	Kopplemann	Sasscer
Delaney,	LaFollette	Savage
John J.	Lane	Sheppard
Douglas, Calif.	Lesinski	Sheridan
Douglas, Ill.	Link	Smith, Maine
Doyle	Ludlow	Smith, Va.
Drewry	Lynch	Somers, N. Y.
Eberhart	McCormack	Sparkman
Fallon	McDonough	Spence
Feighan	McGlinchey	Starkey
Fernandez	Madden	Sullivan
Flannagan	Mankin	Thomas, Tex.
Flood	Mansfield,	Thomason
Fogarty	Mont.	Tolan
Folger	Marcantonio	Torrens
Forand	Miller, Calif.	Traynor
Fulton	Monroney	Voorhis, Calif.
Gallagher	Morgan	Welch
Geelan	Murdock	White
Gordon	Murphy	Wickersham
Gore	Neely	Woodhouse

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—50

Andrews, N. Y.	Cole, Kans.	Jackson
Bailey	Curley	Jarman
Baldwin, N. Y.	Domengeaux	Johnson, Okla.
Beall	Durham	Judd
Bennet, N. Y.	Fisher	Kelley, Pa.
Bland	Gardner	Kilburn
Bonner	Gossett	Knutson
Buck	Hale	Landis
Cannon, Fla.	Harness, Ind.	McConnell
Cannon, Mo.	Henry	McGregor
Chapman	Herter	McKenzie
Clark	Holmes, Mass.	Miller, Nebr.

Morrison	Randolph	Schwabe, Mo.
Norton	Reed, N. Y.	Simpson, Pa.
Peterson, Ga.	Rivers	Stigler
Powell	Robinson, Utah	Thom
Rains	Roe, N. Y.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Dingell against.
Mr. Schwabe of Missouri for, with Mrs. Norton against.Mr. Hale for, with Mr. Gardner against.
Mr. Holmes of Massachusetts for, with Mr. Curley against.Mr. Buck for, with Mr. Powell against.
Mr. Herter for, with Mr. Stigler against.
Mr. McConnell for, with Mr. Kelley of Pennsylvania against.

Mr. Henry for, with Mr. Roe of New York against.

Additional general pairs:

Mr. Durham with Mr. Landis.
Mr. Rains with Mr. Simpson of Pennsylvania.

Mr. DINGELL. Mr. Speaker, on this vote I have a live pair with my colleague the gentleman from Minnesota, Mr. KNUTSON. If he were present he would have voted "yea." I having voted "nay." I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. Gwynne of Iowa: Page 13, line 14, after the word "law", insert the following: "Is unsupported by competent, material, and substantive evidence."

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. SPENCE. Mr. Speaker, I ask for a division.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—yeas 176, noes 128.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. KEEFE. Mr. Speaker, I demand the reading of the engrossed copy of the bill.

The SPEAKER. That is, of course, impossible today. The matter will have to go over until tomorrow.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the bill as amended be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

H. R. 4761

An act to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes

Be it enacted, etc., That the National Housing Act, as amended, is amended by inserting after title VI thereof a new title, as follows:

"TITLE VII—STABILIZATION OF HOUSING PRICES

"SEC. 701. (a) The Congress declares that an emergency exists wherein there are insufficient facilities for housing large segments of the population, that large numbers of veterans of the armed forces are returning to civilian life in need of housing accommodations which are not available, and that it is necessary for the health and safety of the people that all facilities of the United States Government be made available and coordinated to obtain a maximum amount of housing. The purposes of this title are to stabilize the prices of real estate to be used for housing purposes, and to prevent speculative, unwarranted, and abnormal increases in the selling prices of such real estate; to eliminate and prevent profiteering in the sale of real estate for housing purposes, the hoarding of materials necessary for the construction of housing and other buildings, and other disruptive practices; to encourage the production of housing at a fair profit; to improve the housing of the people of the Nation in order to foster their health and general welfare; to encourage employment in the housing construction industry, and to maintain such industry at a high level of productivity; to prohibit an undue dissipation of the savings of the people in the Nation in the purchase of homes at speculative prices; to permit returning veterans to acquire housing at fair prices; and to prevent a post-emergency collapse of values in the housing field and to promote a swift and orderly transition to a peacetime economy.

(b) The provisions of this title, and all regulations and orders issued thereunder, shall terminate on June 30, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the provisions of the title are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

(c) The provisions of this title shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"SEC. 702. (a) There is hereby created an office to be known as Housing Expediter; and the President is authorized to designate an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as independent officer of the Government. In the event of a designation of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his designation hereunder. If, however, such Housing Expediter is appointed, his appointment shall, if within an existing agency of the Government, be subject to the laws and regulations governing the appointment of officers within such agency and he shall receive compensation in compliance with such laws and regulations; if the Housing Expediter is appointed as an independent officer of the Government, then such appointment shall be made by and with the advice and consent of the Senate of the United States and he shall receive

compensation at the rate of \$12,000 per annum.

"(b) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

"(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

"(2) issue such orders, regulations, or directives to other executive agencies as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

"(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

"4 consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

"(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

"(d) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Housing Expediter to carry out the provisions of this title and such plans and programs as such Housing Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Housing Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

"(2) The powers so transferred shall continue during the period in which this act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944.

"SEC. 703. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this title have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with hous-

ing conditions in any area affected by such regulation or order.

"(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

"(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title.

"(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this title. The Expediter shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

"(e) Whenever in the judgment of the Expediter such action is necessary or proper in order to effectuate the purposes of this title, he may by regulation or order make such provisions as he deems necessary to prevent the circumvention or evasion thereof and he may regulate or prohibit speculative or manipulative practices (including the requiring of the purchase of land prior to or as a condition of undertaking construction work or the requiring of the purchaser of housing accommodations to buy additional land or any commodity or service as a condition of securing such housing accommodations) in connection with the sale of any housing accommodations which in his judgment are equivalent to or likely to result in price increases inconsistent with the purposes of this title.

"SEC. 704. (a) Whenever in the judgment of the Expediter there is a shortage in the supply of any material or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, such material or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this title; and the Expediter is authorized regardless of any other legislation to direct the Office of Price Administration to make such price adjustments as are necessary to stimulate the production of building materials.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any material or facilities under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, (2) the need for the construction and repair of essential farm buildings, and (3) satisfying the housing requirements of veterans of World War II and their immediate families.

"(c) The provisions of this section shall not be construed as in any way affecting the power of the President to assign priorities or to allocate any materials or facilities under the provisions of subsection (a) of section 2 of the act of June 28, 1940, entitled 'An act to expedite national defense, and for other purposes,' as amended.

"SEC. 705. It shall be unlawful for any person to effect, either as principal or broker, a sale of any housing accommodations at a price in excess of the maximum sales price applicable to such sale under the provisions of this title, or to offer, solicit, attempt, or agree to making any such sale. It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this title. Notwithstanding any termination of this title as contemplated in section 701 (b) hereinabove, the provisions of this title, and of all regulations and orders issued thereunder, shall be treated as remaining in force, as to rights or liabilities incurred or offenses committed prior to such termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"SEC. 706. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this title may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with law is unsupported by competent, material, and substantial evidence or is arbitrary or capricious.

"SEC. 707. (a) Whenever in the judgment of the Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 705 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Expediter that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order may be granted and if granted shall be granted without bond.

"(b) Any person who willfully violates any provision of section 705 of this title, and any person who knowingly makes any statement or entry false in any material respect in any record or report required to be kept or filed

under section 703, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than 1 year or to both such fine and imprisonment. Whenever the Director has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 705 of this title, and, concurrently with State and Territorial courts, of all other proceedings under this section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Expediter or the United States Government in any proceeding under this title.

"(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within 1 year from the date of the occurrence of the violation, bring an action for treble the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and costs as determined by the court. If the buyer fails to bring an action under this subsection within 60 days from the date of the violation, the Expediter may bring such action on behalf of the United States within 1 year from the date of the violation. If such action is brought by the Expediter, the buyer shall thereafter be barred from bringing an action for the same violation.

"SEC. 708. As used in this title—

"(a) The term 'maximum sales price' means the maximum price for which any housing accommodations the construction of which is completed after the effective date of this title may be sold and includes the total consideration which may be paid by the buyer for such housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of such housing accommodations customarily assume in the community where such accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request.

"(b) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

"(c) The term 'district court' means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States.

"SEC. 709. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this title: *Provided, however*, That so much of the First Deficiency Appropriation Act, 1946 (Public Law No. 269, 79th Cong., approved December 28, 1945), as reads '*Provided, That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of \$500,000 to any State, any subdivision thereof, any municipi-*

ality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945, shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

"SEC. 710. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other persons or circumstances shall not be affected thereby.

"SEC. 711. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"(1) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed \$3,800,000,000: Provided further, That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: And provided further, That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title, in such instances and for such periods of time as he may prescribe.*

"(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 percent of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"(A) \$5,400 if such dwelling is designed for a single-family residence, or

"(B) \$7,500 if such dwelling is designed for a two-family residence, or

"(C) \$9,500 if such dwelling is designed for a three-family residence, or

"(D) \$12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"(A) \$8,100 if such dwelling is designed for a single-family residence, or

"(B) \$10,800 if such dwelling is designed for a two-family residence, or

"(C) \$13,500 if such dwelling is designed for a three-family residence, or

"(D) \$16,200 if such dwelling is designed for a four-family residence."

"(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 percent per annum on the amount of the principal obligation outstanding at any time."

"(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word 'emergency' and inserting in lieu thereof the words 'shortage of housing,' and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: 'The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title.'

"(e) Section 608 (b) of the National Housing Act, as amended, is hereby amended (1) by amending paragraph numbered (2) thereof to read as follows:

"(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator; and (2) by striking out '\$1,350' and inserting in lieu thereof '\$1,500.'

"(f) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause '(C)', the following: 'and any mortgage insurance premiums paid after default.'

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in the Committee and also to extend my remarks in three instances in the Appendix of the RECORD and include statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD.

Mr. HOOK asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. GORE asked and was given permission to extend his remarks in the RECORD and include an editorial from the Democrat.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a recent article appearing in the New York Sun.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include a court decision from the Federal District of Oregon.

Mr. KEEFE asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include a statement published in the Oshkosh (Wis.) Northwestern under date of March 4, 1946.

Mr. TALLE asked and was given permission to revise and extend the remarks he made in Committee this afternoon and include certain material.

Mr. SHORT asked and was given permission to extend his remarks in the Appendix of the RECORD and include a brief article by Hanson W. Baldwin which appeared in today's New York Times.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include correspondence and a petition signed by 350 amputees in Walter Reed Hospital, also a clipping that appeared in the Washington Daily News.

AUTHORIZING CLERK TO MAKE CORRECTIONS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make the necessary corrections in the pending bill in reference to section numbers and cross references.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDER GRANTED

Mr. VOORHIS of California. Mr. Speaker, I have a special order for this afternoon. I ask unanimous consent that that be transferred over to tomorrow afternoon.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EFFICIENCY OF THE UNITED STATES ARMY AS OF TODAY

Mr. SHAFER. Mr. Speaker, Gen. Dwight D. Eisenhower, Chief of Staff of the United States Army, on his return here yesterday from a tour of inspection of the remaining military establishments of the Nation, is quoted in today's newspapers as follows:

It would take a year to bring the present administrative efficiency of the United States Army back to the level of 1940.

I plead with the Members of this Congress, Mr. Speaker, to consider exactly what that statement means.

It means that today, in a world still legally at war because no formal peace has been signed or evolved, we are again a weak nation militarily, a nation incapable of defending ourselves in less than a year's time, if then.

It means that in a world still primed for war, we have thrown away our arms.

It means that with wealth that England, Russia, France, and other impoverished nations are trying to borrow, we have retrograded from the strongest fighting power on earth to the position of a nation incapable of even defending our shores against an invasion.

It means that once more we are the richest man left on earth, again naively heading up Thug Alley in the dark without a gun.

I am merely repeating things you all know when I call attention to these facts gleaned from the daily press:

Critically sensitive spots exist in Turkey, Manchuria, Spain, Argentina, Mexico, Greece, Indonesia, Canada.

Within the past week a reputable New York columnist reported that by May Russia may be expected to make demands on Turkey which Turkey cannot accept, and that England will go to the aid of Turkey.

Secretary of State James Byrnes has confirmed reports published in newspapers that Russia plans to hold summer military maneuvers in Manchuria, although Manchuria is under the technical supervision of General MacArthur as Allied Commander in the Far East.

The Communist press, and our own State Department, have demanded our intervention in the Government of Spain and the ousting of Franco.

The Communist press, here and abroad, demand the ousting of the Peron government in Argentina, though Argentina is even now counting the vote of the Argentine people to decide what Argentina wants.

The Toledano labor group in Mexico is allied with the Russian-sponsored World Federation of Trade Unions, in which Sidney Hillman, New Deal pet and founder of the Political Action Committee is a vice chairman.

The Russian-sponsored attacks on England's actions in Greece and Indonesia, and Russia's own violation of existing pacts by remaining in Iran, have been aired at length.

The Canadian revelations about Russian espionage, even to spying on American troop movements bring the situation to our own shores.

Great Britain, while asking the United States to loan her \$4,400,000,000, has announced that she will spend \$4,750,000,000 on her military establishment.

Mr. Speaker, we have been plagued with continuing and inspired strikes in our own heavy industry which have demobilized the United States industrially just as we have prematurely demobilized militarily.

We have no plan for postwar protection of the United States that has reached the point of legislation. We have no sufficient trained force to fly our airplanes, sail our ships, or operate our ground force military equipment.

We have, as General Eisenhower so bluntly put it, gone back to the point of weakness that characterized our power before we were catapulted into war by the Japanese attack on Pearl Harbor.

No American, Mr. Speaker, wants to maintain perpetually a state of armed neutrality throughout the world. But no American would want to see us so weakened as we are today. And I am sure that no American can believe that we should become the Alice in Wonderland of all the nations in the world and tell those who continue to maintain military strength, that we are ripe for the picking.

Within recent weeks our executive department and our State Department have suddenly chosen to switch from a policy of appeasement to every Russian demand and to urge that we become tough with Russia.

I say again, Mr. Speaker, and plead with every power of word to drive this thought home to all America:

Let us consider where we stand if Russia answers toughness with toughness.

Let us believe General Eisenhower, who led the Allies to victory in Europe, when he says we are again a military weakling among nations.

Let us quit fooling our veterans who fought the battles of World War II by telling them that we are embarking in an international era of sweetness and light. Let us tell our veterans and all America that we still need to maintain a strong America until the other nations who might make war agree to, and carry out a demobilization equal to our own.

Let us decide, before we have gone irrevocably beyond the point where we can defend it, that we will maintain the American Constitution, the American system of free enterprise, the American form of government and the American way of life against any who would seek to destroy it.

Before we go further in the weakening of our power to defend America, let us obtain reasonable assurances that we are not treading the path to peace alone.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. MUNDT asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include editorial matter.

PERMISSION TO ADDRESS THE HOUSE

Mr. LAFOLLETTE. Mr. Speaker, I ask unanimous consent that on Friday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

WALTER REED HOSPITAL AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to state that I am very thoroughly in accord with the views expressed in the petition of the 350 amputees of Walter Reed Hospital. I believe that the Government should provide an automobile as an aid to their recovery and conditioning. It is our duty to do as much as we can to send the veterans out from the hospital as nearly whole as pos-

but the reader recalls that business did not suffer under price ceilings during the war. Indeed, it made more money than ever before. Under the Government's price formula, a reasonable profit is assured each industry. This formula does not underwrite profits for the submarginal or marginal producer, to be sure; but it is to be recalled that in any peacetime year there are many producers who do not make profit. Even in 1929, the peak peace year of production, almost 40 percent of American corporations reported no taxable net earnings.

Mr. Bowles calls up some data not mentioned in the NAM advertisement. American industry, on the whole, is in an extremely favorable profit position, as attested by 1943 corporation tax data. Only 15 percent of it is materially affected by the transition from war to peace and that segment is being taken care of in Government price and tax plans. The other 85 percent was in clover in 1945 and has every reason to be in clover in 1946 as the result of unlimited consumer demands and the diminishing costs of mass production.

The NAM does not bother itself with such factual data as Mr. Bowles deals in. Not when it has such a beautiful theory as the following: "Remove price controls on manufactured goods and production will step up fast. Goods will then pour into the market and, within a reasonable time, prices will adjust themselves naturally—they always have—in line with the real worth of things."

Real Homes or Realty Speculation

EXTENSION OF REMARKS OF

HON. ALBERT GORE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. GORE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the current issue of the Democrat:

REAL HOMES OR REALTY SPECULATION?

Critics of the administration's plan to get 2,700,000 new houses built by the end of 1947 complain that the program is too drastic.

Of course it is drastic. So are the hardships being endured by several million American veterans who can't find a decent place for themselves and their families to live.

You can't face up to a major crisis like the present housing shortage without drastic action.

In 1933, with our economy practically down for the count, drastic action was taken. As a result, the country got back on its feet. But the business-as-usual boys screamed to high heaven.

In 1941 and 1942 we took drastic action to gear the country for war production. By all-out effort we threw such a weight of men and materials at our enemies that we literally blasted them to kingdom come. But again the business-as-usual crowd yelled that they were being hurt.

Now the same calamity chorus is at it again. Lobbyists are swarming over Capitol Hill like termites, chewing away at the props of the plan that the President and Housing Administrator Wyatt have set up to relieve the home shortage. Republicans in Congress are lined up almost solidly against the program. If they cannot kill it outright, they are determined to delay it and cripple it with as many weakening amendments as possible.

The Wyatt plan is an across-the-board program. It strikes realistically at every angle of the problem, which is the only way a quick and effective job can be done.

It involves incentive payments to get production moving swiftly. It stimulates use of new materials and methods in an industry whose techniques are as outmoded as a buggy whip would be on a 1946 Buick. It provides Government aid in financing home mortgages.

It diverts scarce materials from nonessential commercial construction into low-cost homes that the people will be able to afford. And it protects home buyers from runaway increases in already inflated real estate prices.

Every day the program is delayed means 3,000 fewer houses built this year.

The alternative to the Wyatt plan is codding of special interests—and continued shortage of houses. The choice is between quick, drastic action and prolonged drastic hardship.

Most shameful spectacle of all is the fight of the real estate interests against ceiling prices on houses.

These interests—according to their spokesmen—are not concerned because ceiling prices would cut into the enormous profits they hope to get as a result of the desperate need for shelter. Heaven forbid! It is the poor veteran they are worried about. If a veteran buys a house in 1946 they want to protect his right to sell it at a profit in 1947.

What veterans want is a roof over their heads now—not a chance to speculate. Few veterans can afford the prices that are being asked for houses now, let alone the prices that will be imposed if the real estate business has its way.

What makes the crocodile tears of the housing speculators particularly disgusting is the fact that the price boom they are so eager to set off would inevitably be followed by a collapse in values. Then every veteran who had managed somehow or other to get hold of a piece of property would be left holding the bag.

Allocation of Steel by CPA

EXTENSION OF REMARKS OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram:

DETROIT, MICH., March 6, 1948.

JACK SMALL,
Chairman, Civilian
Production Administration,
Social Security Building,
Washington, D. C.:

Steel industry is refusing to supply steel to the Kaiser-Frazer Corp. If steel companies continue taking this attitude then I strongly urge that allocations be made by CPA to automobile companies, including Kaiser-Frazer until there is sufficient for everyone to buy on the open market. What is to prevent CPA from using its war powers and allocating steel which would normally have gone to GM to companies such as Kaiser-Frazer where it can be used immediately? Press release from your office shows evidence of flagrant violation by companies of inventory limitations. What is CPA doing to enforce its rulings?

R. J. THOMAS,
President, UAW-CIO.

Statement of A. Jerd Bayless, of Canton, Ohio

EXTENSION OF REMARKS OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. BROWN of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by A. Jerd Bayless, director of the Lincoln High School Band, of Canton, Ohio:

CANTON, OHIO, February 15, 1946.

To the Canton City Board of Education, Jesse H. Mason, Superintendent of Schools:

There has come to my attention a matter which, in my opinion, has a direct and important bearing upon the public-school system of the city of Canton and which, therefore, should be worthy of consideration by all Cantonians connected with the public schools, including the students and parents. Although the matter concerns itself specifically with policies governing the department of instrumental music, the principle involved would seem to me to be influential in determining the policies of all departments in the system.

Kindly bear in mind that this report, aside from laying down certain pertinent facts, is an expression of purely personal opinion. It has been drawn up for the sole purpose of laying before the school authorities and others who may be interested, a personal point of view which may be considered when formulating final decisions.

As director of instrumental music at Lincoln High School, I have been held responsible for conducting the department as efficiently as possible and at the same time always acting within the bounds of the policies set by the board of education. In the carrying out of my assignment, I therefore consider myself directly responsible only to the proper school officials and the board of education.

The department of instrumental music at Lincoln High School embodies the concert band, marching band, B band, and orchestra. The so-called pit band, pit orchestra, and dance band, are not separate and distinct from these groups, but are merely segments or sections of them. They have been created for the purpose of giving talented and interested students an opportunity for additional supplementary training in instrumental music, exactly as a science teacher might assign a group of worthy and ambitious youngsters supplementary work on a related scientific project.

The so-called dance band is just such a related supplementary project in the instrumental department and, as such, is as truly a part of the department as is the concert band or orchestra. It was created for the simple reason that there happened to be enough talented and interested boys and girls in the department, who expressed a desire for training in playing standard dance music, to make the carrying-through of such a project feasible and practical from an educational point of view. It is therefore a genuine educational program.

In training young people in anything there must be an incentive for study and practice if the training program is to be effective. In music, obviously, this incentive lies in practical application of the art or, in other words, public performance. A marching band could not be created in the absence of opportunities of halftime performances and/or street parading, any more

than a football team can be created in the absence of a schedule of games. The concert band cannot exist without concerts at which to play. Indeed, public performance, or practical application, not only is vital to the success of the training program, but is, just as surely, an integral part of it. What enjoyment the audience receives from a half-time show, an athletic contest, or a band concert, is really, from the educator's point of view, incidental. What is of primary importance, educationally speaking, is the fact that these boys and girls are receiving some amount of practical experience in a subject which happens to interest them, and this under the sponsorship of the board of education, and paid for with the taxpayer's dollar. This, I maintain, is as it should be, and as it must be, if we are to continue to boast of a worthy system of public education.

As heretofore implied, the dance band project at Lincoln High School is simply a course of training in this type of music, laid out for those interested and capable. Logically, the dance band without a dance to play for would be like a football team without an opponent. This problem has heretofore at Lincoln been met by means of the various class parties and school-held social functions. Following the logic expressed above, it can truthfully be stated that, from the director's standpoint, what pleasure the dancers get from the performance of the school dance band is purely incidental. As far as the director is concerned, he is merely giving the boys and girls of the organization training relative to the project. Indeed, it may be well considered as part of the regular classroom or laboratory work, and analogous to a 6 weeks' test in history, or a special assignment in English.

This supplementary training in dance-music study and performance has been carried on at Lincoln High School for some time. Similar training is now being inaugurated at McKinley and Lehman High Schools. Timken Vocational High School carries it on to a very limited extent. Whether such a project should be carried through in any given school is up to the judgment of the particular director involved, since only he is qualified to decide whether or not the talent, interest, and available time is such as to warrant such a project. The important point is that, as of this date, and to the best of my knowledge, the carrying on of such a project is within the bounds of school policy as set by the board of education.

In light of the above you will be interested in knowing that on the evening of February 12, 1946, a representative of the local musicians' union called on me at my home for the purpose of discussing certain problems which were arising regarding school-dance activities. During the course of the conference he set forth the following points:

1. The union is perturbed because of the fact that the Lincoln dance band is playing for the school class parties; especially since the idea seems now to be spreading to other schools, notably Lehman and McKinley.

2. The union seeks our cooperation to the extent that our dance band will refrain from playing for these class parties, except by possible occasional special permission of the union. The union will, in return, cooperate with the school by allowing us to play for certain functions.

3. Should we refuse to cooperate in the matter the union would be forced to employ certain clubs as a means of retaliation; notably the suspension of high school students from union membership, the levying of fines, and the blacklisting of all functions emanating from Lincoln High School, even though said functions might be held outside the school.

4. The musicians' union claimed to be supported in its contention by organized labor of Canton.

This, in short, is the sum and substance of the union case as stated by this representative. A theme of cooperate or expect

measures of retaliation permeated the entire interview.

I laid my side of the case before him much as I have done in this report, emphasizing especially the following points:

1. The dance band is not a separate organization set up for the purpose of furnishing music for class dance parties, but, rather, comprises a program of training which is set up as a regular course in the department.

2. The actual playing for a class party is nothing more or less than classroom activity for the students in this group.

3. To the best of my knowledge I am conducting the instrumental music department well within the bounds of the policies set by the board of education. Any change in my program would have to be brought about through a direct order emanating from my employer, namely, the Canton Board of Education.

Therefore the final decision rests with the board. As a teacher in a public school I am directly responsible only to this group, which represents not an individual, nor a labor group, but rather represents the school-supporting public. As a teacher in a public school, furthermore, I shall continue to refuse to heed the dictates of any individual or group, except when such dictates are received by me through the board of education or its officers.

Finally, as a public-school teacher, I am not authorized to make any decisions regarding school policy. The following remarks are, therefore, merely expressions of personal opinion, to be taken for what they are worth, and come from one whose primary interest lies in the training of school boys and girls.

1. If the musicians' union can forbid the dance band from playing for class parties it can, by the same token, forbid the marching band from appearing at football games, or the orchestra from playing at class plays. These are all established courses of training carried on by the department.

2. If individuals or groups, whose primary purpose or intent does not lie in public education, can tell the schools what they can and cannot do, within the classroom, the traditional concept of free public education is indeed in jeopardy.

3. This actual "dance band problem" is, when considered in comparison with the school system as a whole, rather minute. However, the principle of the issue involved, and the question emanating therefrom, becomes serious. The whole question, it would seem to me, resolves itself to this: Shall we, as parents, as taxpayers, and as people interested in the educational welfare of our youth, tolerate any outside interference in the regular classroom activity carried on within the confines of these tax-supported institutions?

4. My personal answer to this is, of course, "no." My whole argument in the case is based on my contention that, in the specific case of our dance-band activity, the local musicians' union is tampering with and impeding the efficiency of regular classroom work. It is interfering with a program of training which is maintained and supported by a tax-paying public; and not by union assessments.

Respectfully submitted,

A. JERD BAYLESS,
Director, Lincoln High
School Band, Canton, Ohio.

We, the undersigned, have read the above report in its entirety. We agree thoroughly with the philosophies and opinions expressed and, unless ordered otherwise by the board of education, intend to operate our respective departments according to identical trends of thought.

ROBERT D. STUMP,
Director, McKinley High
School Band, Canton, Ohio.
SAM L. BELL,
Director, Lehman High
School Band, Canton, Ohio.

Housing Stabilization

SPEECH OF

HON. JESSE P. WOLCOTT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. WOLCOTT. Mr. Chairman, I think the difference in the substitute and the bill as offered by the committee, and as amended, should be by this time quite clear. However, I think it might be well to have in mind some of the more important differences.

In the committee bill as it has been reported and perfected, of course, the declaration of policy anticipates that we place ceilings on old and new construction, and for that reason there is a different declaration of policy in the substitute.

The committee bill sets up a new bureau. It establishes a new office and authorizes a director to employ such assistance as he deems advisable. It sets up a new bureau. The substitute does not set up a new bureau and authorizes the President to appoint an expediter either within an existing agency of the Government or independently of an existing agency of the Government.

In the substitute bill the powers of the Expediter are very clearly defined. In the committee bill the powers of the Expediter are very vague. Let me point out an example of this. On page 9 of the committee bill in subparagraph (d) is the language:

(d) The Director may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct.

He can direct a policy.

The language of the substitute is very explicit that the Expediter may direct any particular department of the Government to carry out the program which he formulates; in other words, the language of the substitute is identical with the language of the present Executive order under which the Housing Expediter is functioning; and, of course, it is very essential that his powers be very clearly defined.

The substitute, of course, as has been pointed out, makes no reference to subsidies, and it makes no reference to and does not authorize the putting of maximum prices on finished new homes. The reason for that is that under title 6 which is in the substitute, in both bills now, the Federal Housing Administrator regulates the value of the homes. Also in both bills there is the authority to allocate materials and channel these materials into homes for veterans. The Expediter under the substitute has the authority to

channel this material into homes costing not more than a certain amount, thereby giving him ample authority together with the authority which exists now and will exist under FHA provisions to keep this program a low-cost housing program.

There is one very material difference between the Committee bill and the substitute which is found on page 4, section 703. We refer to that facetiously, as the "snooping" bill.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. In that provision the Director is authorized to go into a person's records, even if he is a private owner, and subpoena him for the purpose of getting information. It is the provision comparable to those which have been most obnoxious to us all the way through the war, although during the war we recognized that in some cases it was necessary to a full understanding by the Administrator of any particular regulation or problems; but there is not any necessity for such authority at the present time, and we should not in peace time adopt the particular provisions of section 703 of the committee bill which authorizes the Expediter to go into any person's home and any person's books and pry into his personal affairs. The Expediter can get this information otherwise or he can establish general policies which should be adequate.

In section 704 of the committee bill you think you have cut out the ceilings on old construction. I quite agree that that was the intent of the committee in defeating the amendment which provides that the sale prices of housing accommodations shall be set only when the construction is completed after the effective date of this title; but the job was done very hurriedly, it was done very superficially, and so the language in subsection (d) on page 9 and the definitions on page 15 indicate, of course, that the Administrator may set the ceilings for housing accommodations in addition to those housing accommodations which have been established after the effective date of the act.

In other words, in addition to the material changes which I have suggested, the substitute also clarifies much of the incongruous language of the committee bill.

In the committee bill the Expediter can only allocate the materials. In the substitute the Expediter may allocate or direct the allocation of materials, and it is very important if he is going to do the whole job that he be given the authority to direct the allocation of materials as well as to allocate the materials; therefore, we do not run into these controversies—this "buck passing," if you want to put it that way—between the different agencies of the Government. The responsibility is that of each agency to follow the Expediter's directions in getting sufficient quantities of material so that

we can build up to capacity the number of houses which we need.

In substance the bills differ in those respects, but primarily in one respect only, that all ceilings are eliminated in the substitute. The substitute is a good clean bill. Mr. Wyatt is given all the authority which is needed to coordinate all of the activities of this great Government of ours—there is a powerful force behind him—to expedite the acquisition of sufficient quantities of building materials to do the job which he was appointed to do.

We should cooperate with the Expediter, and he with the authority contained in the substitute is given all of the authority he should require to do this job. It is a flexible program, but it centralizes the responsibility for the effectuation of the program where it rightly belongs, that is in the Expediter.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Does this give the Expediter the authority to fix prices on materials?

Mr. WOLCOTT. The Expediter is given authority under the substitute to adjust prices or direct the adjustment of prices; that is, direct the OPA to adjust prices whenever he finds it necessary to do so in order to obtain the maximum amount of production.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Loan to Great Britain

EXTENSION OF REMARKS

OF

HON. WILLIAM H. STEVENSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. STEVENSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

CONRAD'S,

La Crosse, Wis., March 4, 1946.

Hon. WILLIAM H. STEVENSON,
House of Representatives,

Washington, D. C.

DEAR SIR: Recently I read one of your news letters which you sent to a friend of mine, and may I congratulate you on your stand toward a loan to Britain.

I'm an ex-GI and naturally very much interested and concerned about the pending housing legislation. The situation is acute, as you know, and I think I speak for the average GI when I say he is understanding and tolerant toward his present plight, as he is accepting the condition as an aftermath of the war. However, the phase he is most concerned and distressed by is the bickering that has resulted from pressure by lobbyists and certain money interests.

At the present, we GI's are looking to our Representatives and hope you won't be taken in and sell us short. We are counting on men like you because we have seen what faulty government and greed have done to other countries. Therefore, today more than ever before, we are politically minded and determined to practice our democratic rights.

Sincerely yours,

S. WEINBERGER.

Standardization of Bearing Dimensions

EXTENSION OF REMARKS

OF

HON. CHARLES R. ROBERTSON

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. ROBERTSON of North Dakota. Mr. Speaker, the latest step in the American march toward standardization of sizes—a trend which has made the manufacture and distribution of virtually everything we use more efficient—is bearing taken in the field of ball and roller bearings which now are as essential to daily living as automobile tires and radio tubes.

While the matter of standardization of boundary dimensions of bearings may seem unimportant to the average man, S. F. Wollmar, an official of the SKF Industries, Inc., Philadelphia, points out that our whole machine-age economy moves on antifriction bearings.

Some of these bearings are the minute ones in sensitive aircraft instruments, some the modest sizes used in vacuum cleaners and other household appliances, and some the 4-foot, 9,000 pounders used in high-speed rolling mills which squeeze out sheet aluminum and steel for automobiles and airplanes.

Lack of standardization, Wollmar says, requires the bearing industry to produce and stock up to 40,000 different sizes and makes of ball and roller bearings, many of which vary in size by less than a hairsbreadth.

This number could be reduced, Wollmar believes, by nearly 38,000 with resulting benefits in speedier production of urgently needed industrial and consumer goods for use at home and abroad.

While ball and roller bearings look simple, and are usually one of the smallest component parts of every machine, or motor that moves, they are actually one of the most difficult parts to make, since their dimensions must often be held to one ten-thousandth of an inch, equivalent to splitting a hair into 30 equal parts, Wollmar points out. Thus, even the most minute changes in dimensions can mean the changing over of as many as 150 extremely complicated tools and gages used in bearing manufacture.

The benefits of standardization, Wollmar declares, would have even more widespread effect on the everyday lives of Americans than did the standardization of the sizes of such things as electric bulbs and sockets, automobile tires, railroad tracks, hairpins, and a host of other products made by different companies to standard sizes, even though quality may vary according to price.

Not only do most electrical household appliances use antifriction bearings, but all of the tools to make parts for these devices use ball or roller bearings, he points out.

If manufacturers and designers of all types of machines and motors would adopt a more uniform system of boundary dimensions for the bearings used in their products, Wollmar says, the bearing industry would be able to supply the demand, and, through the elimination of

frequent and expensive change-overs on bearing-making machinery, be able to deliver even higher quality bearings more efficiently and economically to the consumer.

Even those manufacturers whose machines require hand-tailored bearings would automatically benefit from standardization of ball and roller bearings, Wollmar emphasizes, explaining that in the unusual cases where exceptional speed and tolerance would require special dimensions, the anti-friction-bearing industry's research and development engineers could readily solve these special problems with the least divergence from established standards.

With bearings hidden away in prosaic grease so long, it took a war to remind us of their importance. Indeed, one of the first morale films the Army motion-picture division produced for showing in our war plants told the story of bearings. It dramatized the fact that everywhere a wheel or a shaft turns, bearings are essential. Without them, our industrial civilization could not exist.

Speech of Winston Churchill

EXTENSION OF REMARKS

OF

HON. ELLIS E. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. PATTERSON. Mr. Speaker, yesterday, after an introduction by our President, Mr. Churchill made a speech which is a mockery of all the great war speeches he made extolling the benefits of Big Three unity. His proposal to set up an Anglo-American bloc blows into oblivion all his fine-sounding phrases during the war.

We have all hoped and prayed that the United Nations Organization could be made to function effectively to insure world peace. We no sooner put the breath of hope and life into this essential ideal for mankind, when the theory of balance of power is brought forth in the heart of America by a war leader who presumably once wanted to end war for all time.

The game of balance of power has always brought war to this earth. The history of the past 2,000 years has proven conclusively that when nation was set up against nation—or one bloc of nations against another bloc of nations—war was always the inevitable result. I am opposed to the formation of any blocs, any spheres of imperialistic power, whether they be in the form of British imperialism, Russian imperialism, or American imperialism. All must be opposed if we are to save the world from another terrible war.

It is incredible to me that the Tory representative from Great Britain used the heart of the United States as a platform for the reactionary proposal to set up one power with another, with only one possible objective: creating a bloc against a third power. History has proven the insanity of this. The de-

structive potential of atomic power has already demonstrated how disastrous another war can be.

Therefore, we must face the fact now that if the United Nations Organization is going to be subverted into rival and power-hungry blocs instead of nations working together for peace for all time, the future we face will see mankind obliterated by the atomic bombs of hatred, envy, and greed.

Ceiling Prices on Live Cattle

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following court decision from the Federal District of Oregon:

BOWLES, ADMINISTRATOR, OFFICE OF PRICE ADMINISTRATION, v. BEN LEVY, DOING BUSINESS AS CENTRAL MARKET, CIVIL NO. 2756 AND FOUR OTHER CASES; NOS. 2785, CIVIL; 2787, CIVIL; 2788, CIVIL; AND 2824, CIVIL—DISTRICT COURT, DISTRICT OF OREGON, FEBRUARY 20, 1946

OPA actions for injunctions to enforce compliance with Maximum Price Regulation No. 574, which establishes ceiling prices to be paid for live cattle. The regulation, based on 30-day reporting periods, requires estimated live weight and grade to conform to dressed weight and grade, after applying certain formulas.

Injunctions to issue.

William B. Wetherall, regional chief, Food Enforcement Division, of San Francisco, Calif.; F. E. Wagner and James M. Blackford, district enforcement attorneys, Cecelia P. Gallagher, enforcement attorney; Victor E. Harr and J. Robert Patterson, assistant United States attorneys, of Portland, Oreg., for the plaintiff.

Cake, Jauregui & Tooze (Herbert C. Hardy and Ralph H. Cake, of counsel), all of Portland, Oreg., for the defendants.

McColloch, district judge.

I accept the contention of defendants as proven that the regulation is unworkable in this area. It has been shown that violations are unavoidable. No evidence was offered to the contrary.

But the question remains whether I may deny OPA an injunction in any case where a regulation exists and violation of the regulation is shown. All of my instincts say that should not be enough, that the equities should be open to inquiry in every case.¹

Hecht Co. v. Bowles (321 U. S. 321) ruled that an injunction need not be issued where a defendant was honestly endeavoring to comply and could in time comply. But here the defendants, while honestly endeavoring

¹ The regulation has been contested in 26 cases, mostly unreported, before 10 district judges. Judge Hulem makes a good statement of the difficulties arising under the regulation in *Bowles v. Albert Glauser, Inc.* (61 F. Supp. 426). There are other local problems that will be stated in the findings in the instant case.

² It seems not generally understood among agency attorneys that when the Government enters the courts as a litigant, its standing, with few exceptions, not pertinent here, is the same as a private litigant (28 Am. Jur. p. 342).

to comply, cannot at all times and under all conditions be certain that their operations will, at the end of every 30 days reporting period, "be in compliance" under the formula.

The regulation itself cannot be assailed in this proceeding. Section 204 (d) of the Price Control Act prohibits that. It compels the courts to treat a regulation as valid, even though they know it to be invalid.

Assuming, therefore, as Congress has commanded, that the regulation is valid, must an equity court issue an injunction, even though it is clear that future violations are bound to occur, regardless of the good faith and earnest efforts of the defendants to avoid violations?

In other times, I would have thought there could be but one answer to this question, but the decisions in this circuit have so completely shorn the district judges of discretion in OPA cases, I must conclude that equity is compelled to act in this field, even though there be not equity—that an injunction must issue, even though it is known at the time of the issuance that nonwilful violations are bound to occur.³

This is a strange situation, previously unknown to our law, and it could not arise except for the vise⁴ that section 204 (d) puts on the courts, coupled with the appellate decisions referred to, which take away that discretionary powers normally allowable to trial courts.

Because I have no choice, I will therefore issue the requested injunctions, expressly reserving, however, the question of their enforceability, for I am yet to be persuaded that an equity court can punish conduct that contains no ingredient of evil.

CLAUDE MCCOLLOCH,

Judge.

³ It should be plain that the results of this pincer is to destroy the judicial character of the courts. It makes them mere vassals.

⁴ *Case v. Bowles and Hulbert v. Twin Falls County, Idaho*, decided in the Supreme Court February 4, 1946, will repay study. The vise may be loosening. *Bowles v. Case* (9 Cir., 149 F. 2d 777); *Soundview Pulp Co. v. Taylor* (150 P. 2d 839); *Twin Falls County v. Hulbert* (156 P. 2d 319).

⁵ See the remarks of the Chief Justice at the argument in *Hecht Co. v. Bowles* (321 U. S. 321 (1944)), reported in the United States Law Week for February 8, 1944 (12 LW sec. 3, 3257).

This is one of twenty or more cases that have been filed throughout the Western States to combat, it is said, the rising price of beef cattle. My recollection of a number of years in the range country is that prices of cattle always rise at this time of the year, before the new grass starts. Be that as it may, this has been selected as a test case, and I should think it would be an excellent case to take to the United States Supreme Court to find out whether the courts have become mere rubber stamps for executive action.

Housing

EXTENSION OF REMARKS

OF

HON. PHILIP A. TRAYNOR

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. TRAYNOR. Mr. Speaker, it is very interesting for me to hear the Members of this House discuss the building of Houses for the veterans when I know the background and vocations of the Members of this House.

works. Profit for one is gain for the other, making common cause and interest. Labor racketeers have tough sledding in such a set-up.

Can an Isolationist Change His Spots?

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

Mr. PLUMLEY. Mr. Speaker, under unanimous consent heretofore granted, I am extending my remarks by including an article which appeared in the Christian Science Monitor of recent date, entitled "State of the Nation."

I would like to call attention to and emphasize what Mr. Roscoe Drummond, chief of the Washington bureau of the Christian Science Monitor, has to say with respect to the trend toward isolationism. There is a great deal of truth in what Senator WARREN R. AUSTIN, of Vermont, is quoted as having said with respect to the "undertow pulling the United States back to isolationism and extreme nationalism." The truth of that statement is evidenced by the correspondence which crosses my desk and by the position taken by a great many people who ought to know better.

The truth of it is, as somebody has well said:

No man can lift himself up by pulling at his bootstraps. The leopard cannot change his spots nor the Ethiopian his skin. Nor can a man change his own innate nature. Nor can one man change the nature of any other.

The failure to learn this physiological fact is responsible for the failure of many reform measures that have been devised by men and governments. Human nature, whatever it is defined to be, is stamped upon the very fabric and constitution of every man when he is born. He inherits it from his ancestors, as the leopard does his spots and the Ethiopian his skin. The fact that the Ethiopian maiden camouflages her skin with cosmetics does not change the real nature of the skin. A person may change his conduct, and often does, but that does not change his human nature.

As long as human beings retain their human nature they would save themselves and disappoint both God and man.

If professional reform organizations and civil authorities could ever learn that it is impossible for human beings to change human nature they would save themselves much grief and disappointment.

We ought to know by this time that we cannot legislate to change human nature.

So, Mr. Speaker, I am including the article to which I have referred, which reads as follows:

STATE OF THE NATION

(By Roscoe Drummond)

WASHINGTON.—In the United States Congress today there are politicians who are toying and tampering with the Nation's security.

No one expects or necessarily wants Congress to do everything which the administration recommends, even in the nonpolitical field of national security. But when Congress does virtually nothing which the administration asks in behalf of the armed

services—and keeps on doing nothing—it's time to look around for the reason. It's politics, politics, politics; no matter how you spell it, it's politics.

Three vital issues of military policy remain unresolved, and one of the controlling reasons is that Congress has its eye stolidly fixed on the coming elections. It doesn't want to waft the slightest disturbing breath over the electorate; it doesn't want to do anything controversial which might affect a single vote; let other decisions wait, and while they wait America grows weaker as the world grows more troubled. The issues which are thus delayed are these:

1. Extension of the Selective Service Act so that the United States Army will have sufficient men—until they can be obtained by voluntary recruitment—to carry out the Nation's long-term occupation tasks in Germany and Japan and adequately garrison its outlying defense bases.

2. Enactment of a universal military-training program so that the United States will at all times have quickly available an adequate reserve of trained forces to help meet any emergency.

3. A decision on whether the Nation's armed services will be strengthened or weakened by being administratively merged into a single department of national defense, as urged by the President.

Obviously there can be an honest divergence of judgment over these proposed measures, but when nothing positive is being done about any of them, a simple difference of opinion is hardly an adequate explanation. A definite decision one way or the other—and Congress doesn't even want to do this because action either way might offend a voter somewhere—is better than delay and default.

Several questions need to be pondered thoughtfully before any of these three measures of national security are rejected.

Will a weak America or a strong America contribute most to keeping the world at peace? After World War I, the United States rejected military training, dismantled its Army, sunk a lot of its Navy. Did American military weakness in the thirties discourage or abet World War II?

Are we certain that any future aggression will be a push-button push-over? Or must we, until the carefully calculated possibilities of atomic energy are clear, do whatever is presently necessary, including military training, to be ready for future military needs? Can we safely risk the Nation's security on even the best guesses as to what future aggression might be like? Don't we need to keep one foot on the ground while both eyes are on the horizon of natural scientific development?

Must we not either publicly revise our military commitments—such as the long-term occupation of Germany and Japan—or decisively equip our armed forces with the means to carry out those commitments?

Senator WARREN R. AUSTIN of Vermont, who has reason to know what he is talking about, recently wrote to a friend: "I feel a tremendous undertow pulling the United States back to isolation and extreme nationalism. It seems more difficult now than it was during the war to overcome this undertow. Yet, it must be surmounted."

There is ample evidence to support Senator Austin's appraisal. The Congressmen who were most isolationist before the war are today the most active in opposing measures to give the Nation the military strength to do its share in maintaining the peace.

Few people really believe that America intends or wants to go back on its world commitments, but the undertow of isolation needs to be understood to be met. It is the kind of undertow which, with deep insight into the workings of the human mind, Paul once advised the Romans about:

"For the good that I would I do not: but the evil which I would not, that I do.

"I find then a law, that when I would do good, evil is present with me." (Romans 7:19, 21.)

Paul's insight and advice is pertinent today because the undertow of isolation in Congress is simply an attempt to reverse the constructive, nonpartisan decisions Congress already has made in behalf of world peace and America's role in maintaining it.

Hon. George F. Rogers, of New York, Offers Bill To Provide for National Health and Productive Power of the People of the United States by Clarify- ing the Laws Pertaining to Hospital Treatment, Medical Care, 74 Veterans Hospitals and 6 Diagnostic Research and Proving Centers and a Medical Fly- ing Corps for Disabled Veterans and High-Altitude Research

EXTENSION OF REMARKS

OF

HON. GEORGE F. ROGERS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. ROGERS of New York. Mr. Speaker, seldom do I take the time of the House to present matters of grave concern to the Nation, for we have those outstanding Members on both sides of the aisle who are authorities and highly qualified to present the arguments for or against any given issue.

But the events of time have necessitated that any Member of the House who can assist in law making that will prevent total chaos in our Nation step forward and speak his mind, as it now seems that only in this way can we all more or less assist each other in formulating ideas which may be the means of checking inevitable disaster.

America will soon have furnished 20,000,000 men and women in the service of both world wars the means or excuse for dissatisfaction and unrest, not mentioning the ideal psychological environment for human misbehavior. Naturally; we do not purposely engage in wars to cause these conditions, but wars do have the very unfortunate habit of bringing in its wake home-front disasters.

I regret to say that of late I have been plagued with one persistent question which, without a doubt, has been asked every Member of Congress. Letters, telephone calls and wires have continually been hounding me with urgent requests for an answer to this vital question: "When can I get into a veterans' hospital for treatment? Why must I wait until I develop a fatal disease before the veterans' hospitals can accommodate me with a bed?"

It is not for me to say that, in the past, veterans of wars have been treated in hospitals which were unfit even for those who were paying a debt back to society for some crime they had committed. Records show, without a question of doubt, that this Government, regardless of blame, did foster a system of veteran

hospitalization which caused great controversy and shock to the people of this Nation.

It is also true that steps and measures were taken to correct the evils of the last Veterans Administration by this new Administration and that, with proper guidance and help from an intelligent Congress the veterans of this late war will not have to go begging for hospitalization.

This has the earmarks of digging up an old dead, "lame duck." However, it may well serve to prove that opinions of certain well-meaning groups sometimes are the direct cause of chaos. During the crisis of World War I hospitalization, the Federal Board of Hospitalization in the Bureau of the Budget entertained the philosophy that the peak of veterans' hospitalization would be about 1957. Meaning to say that at middle age the veteran would fail in health, and only then should he be treated. This also means that this Government is of the opinion that prevention of health failure is of no importance and that only at death's door should we begin to treat disease. Perhaps it is, then, no wonder that we have such a shortage of medical science and care for our economy. If this philosophy is to be used again, and from the reports I have received it is indicated that it will, then again shall we hear the cries of inadequate hospital care of our national heroes.

Gen. Omar N. Bradley testified in substance to the committees of Congress, quote:

They say the peak of hospitalization will be reached about 1970.

This again means that only when our veteran is stricken with a fatal disease, will he be able to reach a veterans' hospital bed.

It is my sincere hope and wish that every veteran of this war, after having been treated so marvelously by the Army and Navy medical personnel, will never require urgent hospitalization. However, since this is just a wish and there is and will be more so an urgent need for veterans' hospitalization, I am now asking this Congress to face the issue with facts and reality and to pass legislation now, which will once and for all take care of this most vital need—the first charge of the Nation.

These are the facts: In spite of the precautionary measures by the selective service medical examiners to isolate medically unfit inductees, it is estimated, according to the medical disability discharges, that approximately one million and a half veterans have broken down in health, due to the rigors of war. There is no way of knowing the extent of future break-downs among the millions of other veterans now discharged, serving and going to serve. We must be prepared for any eventuality and this preparedness means that we must build now the system of hospitals and medical corps needed to operate them to take care of at least 300,000 bedridden veterans at one time, all the time.

It is common knowledge that an ounce of prevention is worth a pound of cure, so why should we not admit that it is wiser to prevent total disability by correcting minor ills which, in the past, have not been cause enough for warranting a

bed for this so-called minor ailment. The Army and Navy carry out the policy of treating diseases in their early stages in order not only to send a human out into the civil world again in good health but mainly to put back into the Treasury money that would have gone out for total disability. It is strange that no other branch of this same Government has the foresight to visualize this gigantic but simple method of high finance: Save a human today and save the Treasury pay.

I do not want to draw swords with the wonderful medical advisers to our Government officials, or whoever else puts the ideas through that have been the stand-by of the Veterans' Administration's function, but I do want to wake up some of my colleagues to the fact that complication has replaced simplicity and that the result has been chaos, not only in veterans' affairs but also in other national affairs.

In this reference, I mean to say that right after the last war it took Edward Hines, a civilian lumberman and builder from Maywood, Ill., to take his old speedway apart and use the materials to build what is today the outstanding show place of the Veterans' Administration. Why is it necessary that a civilian must set the example for such a wonderful government as ours to follow?

If I thought that my colleagues were lending a deaf ear, I would call upon another Edward Hines to build a bigger and better veterans' hospital for our well deserving veterans. But since we all know that the public is clamoring for righteousness in behalf of the returning veteran, we will not find it necessary to ask for charity, or have to pay later for someone else's idea.

The World War Veterans' Act of 1924, as amended, provides for hospitalization of honorably discharged veterans, even though their disability may not be due to service. This means that every veteran has the right to seek a bed in a veterans' hospital, regardless of the nature of his illness, and law demands that this bed be provided, if available. Under such a law, we appear, on the surface, to have taken care of the veteran while, beneath the surface, we are Indian givers.

Since the President himself admitted to Congress that the service men and women were used to adequate medical care in the service and that they would expect the same continuous care in civilian life, then it follows that this adequate care must have its start in the Veterans' Administration. This adequate care must come from the constitutional representatives of the people. I have statistics in my files which prove beyond a doubt that we, the Government, must build at least 200,000 hospital beds throughout this Nation. The appropriation of over \$448,000,000 for veterans' hospitals, since passage of the G. I. bill, is a start in the right direction. Without additional substantial appropriations, the proper management of these funds and a law to carry out a definite program, it is possible that billions will be spent without achieving maximum health promotion.

I, therefore, wish now to introduce an all-inclusive bill which will provide for the immediate additional construction of hospitals with bed capacity of 57,000.

Also the building of the necessary associated branches of medical service to make the Veterans' Administration a complete medical center within itself. This medical center will have its own research laboratories, medical flying corps for quick transportation of serums, equipment, and patients from one specialty to another. Also, this bill will provide the Veterans' Administration with fact-finding proving centers to determine the merits of healing arts which heretofore have not been considered.

There shall be freedom of medicine in the Veterans' Administration under this bill of rights. No veteran shall be deprived of his medical treatment if he desires his choice of physician.

Since Gen. Omar N. Bradley has asked for an expression of our intentions and disposition of veterans' affairs, it is high time that we lay bare some facts, figures, and start the ball rolling that will provide the necessary law and funds which will expedite these pressing matters.

The greater part of the research necessary to the formulation of this bill has been done by the Veterans' Adjustment Organization, Inc., a national research group, through its president, Mr. Straude E. Wiseman, of Indiana. Mr. Wiseman has been actively interested in veterans' affairs ever since the close of World War I and was for 6 years with the Veterans' Administration at Hines, Ill., an assistant to the manager of that facility, the finest in the Administration.

The crying need for an over-all inclusive program to meet the health needs of our huge influx of new veterans is only sharpened by the light of Mr. Wiseman's research and his knowledge of the money and health which was wasted beyond recovery by the slowness with which the needs of World War I veterans was met. Something has already been accomplished, of that we are well aware, but we have not made our plans big enough to meet the need and they are not being acted upon with enough dispatch. The Congress must prove to the people of the Nation it is able to completely care for the health of its victors.

In an address at Chicago at the national convention of the American Legion on September 19, 1944, Henry Ford 2d said in speaking of the days following World War II:

They will be days when we must concentrate all our combined efforts on the rehabilitation of our men returning from service. They will be days when everything must take second place to help these men regain physical health and their mental happiness.

Need I tell you those days are here?

Do We Want Housing?

SPEECH
OF

HON. FRANCIS CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1946

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4761) to amend the National Housing Act by adding thereto

a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. CASE of South Dakota. Mr. Chairman, some of the argument here today sounds like strange logic to me. I refer to suggestions that there is something sinister in the thought that suppliers of housing materials should be expected to make a profit on the items they supply.

I may have been under a wrong impression—but it has been my understanding that the aim was to get some housing. Surely if we are after housing, and we need some materials to provide the housing, we can hardly expect that lumber mills or gadget producers will turn out what is needed unless there is a prospect of making a profit in the process.

Why should producers or manufacturers take the risk unless there is a prospect of making a profit in the enterprise?

As an editorial in the Washington Daily News very aptly says:

Our productive system is complex. Yet the principle on which it operates is simple. Its driving force is the desire and hope for profit. Our producers have been known to guess wrong and produce at a loss. But they never produce when they know in advance they will lose. They have to believe that the price they can sell for offers a margin above what it costs to make the goods.

Some may say, "figure the over-all profit," implying that on some items an extra large profit may be made to offset a loss on some other items. Well, that hardly sounds logical either. That implies that more profit is made or will be made on some items than is fair or necessary. Furthermore, it restricts housing activity to the large-scale builder or producer and definitely puts the squeeze on the small manufacturer of building specialties.

The more this argument runs, the clearer it seems to me that we shall solve the housing shortage fully only when we restore normal economics and let supply respond to demand with profits rewarding response and with competition policing prices.

Ten Homeless GI's Look to Congress for Help

EXTENSION OF REMARKS OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. PATMAN. Mr. Speaker, today I received a telegram from 10 war veterans in Fort Dix, N. J. This telegram contains only 16 words—probably because these boys do not have the money to spend for five- and six-hundred-word telegrams to us, such as those we receive from the National Association of Real Estate Boards—but these 16 words, in their stark simplicity, express far better

than the thousands of euphonic phrases the desperate need of our returning youngsters for houses.

For the benefit of the Members I should like to include in the CONGRESSIONAL RECORD what 10 homeless GI's have to say:

FORT DIX, N. J.

Congressman PATMAN:

We fought for decent homes. Don't let business as usual lobbyists take them away from us.

TEN HOMELESS GI'S.

Farm Crisis in New Jersey

EXTENSION OF REMARKS

OF

HON. GORDON CANFIELD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1946

Mr. CANFIELD. Mr. Speaker, no group of our American people are more patriotic than our New Jersey farmers. They have never failed our Republic in time of peace or war. Their contribution to victory in World War II has been outstanding.

Today New Jersey's farmers are worried and they have cause to be. It is because of the feed shortage for farm animals and the situation is now so serious that poultrymen are disposing of an unwarranted number of laying fowls and the State milk authorities report milk production has been reduced to an alarming degree. The New Jersey Farm Bureau, which called the crisis to the attention of the Secretary of Agriculture several weeks ago, complains no action has been taken looking to relief and he contends quite properly the northeast area should not be called upon to do more than its share in the world food-relief program.

I know Mr. Anderson, who heads the Department of Agriculture and I cannot help but believe he will respond at once to the appeals of our State's farmers, granting them every possible relief. He knows the whole northeast area and, in fact, the entire country, has a tremendous stake in this matter.

I present communications I have received this week. They describe the picture in detail.

TRENTON, N. J., March 1, 1946.

Hon. GORDON CANFIELD,
House Office Building,
Washington, D. C.:

Feed situation in New Jersey critical. Unusual heavy liquidation of chickens now taking place. We have presented our case to Secretary Anderson but after 3 weeks of conferring we can't see that any progress is being made in the solution of the problem. We need your help now. Detailed statement follows.

H. W. VOORHEES,
President, New Jersey Farm Bureau.

NEW JERSEY FARM BUREAU,
Trenton, N. J., March 1, 1946.

Hon. GORDON CANFIELD,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN CANFIELD: The alarming shortage of feed for farm animals constitutes a serious threat to the northeastern dairy and

poultry industries and to future supply of fresh milk and eggs for consumption in this area. At a meeting of the Northeastern Governors' Feed Committee, held on February 11 in New York City, representatives from Maine to Maryland reported that commercial feed supplies in the northeast were inadequate and would be almost exhausted in from 15 to 30 days.

Feed manufacturers and local dealers report that they are unable to purchase more than a small part of essential ingredients now being used because price ceilings make it more profitable for Midwest farmers to feed grain to hogs than to sell it as grain. It is true also that with corn prices at ceiling since October, it has been largely impossible to purchase corn except in a black market. Unless this situation is remedied promptly the northeastern dairy and poultry industries will bear the brunt of a necessary reduction in the numbers of livestock and poultry.

At a recent meeting of New Jersey feed manufacturers and dealers held in Trenton it was pointed out that the situation here in the State is very serious. Dealers reported their inability to fill orders for the poultrymen and stated that in some sections of the State serious liquidation of flocks was already taking place. Recent letters from farmers in different sections of the State indicate this to be true.

Recently, Governor Edge appointed a feed committee to consider this matter. Certain recommendations were made by this committee and also by the New Jersey feed manufacturers and dealers. These recommendations as to how the feed situation might be improved were called to the attention of Under Secretary Hutson on February 14, and were again called to Secretary Anderson's attention on February 19. It was obvious from both of these conferences that the Department of Agriculture appreciates the seriousness of the situation but apparently they are at a loss as to how it might be corrected.

On February 18, Gov. Walter E. Edge wired Secretary of Agriculture Anderson, as follows:

"On February 14 the northeastern governors' feed committee placed before Under Secretary of Agriculture Hutson the critical feed situation in this area and found him in substantial agreement with its appraisal of the existing situation. Accordingly, I urge that early steps be taken to bring about an equitable distribution of feed and thus prevent the inevitable large-scale liquidation of livestock and poultry in the Northeast. If such liquidation should occur, this large segment of our population would be faced with a serious shortage of essential foods for months to come."

To date, no action has been taken by the authorities which would in any way relieve the situation here in New Jersey. We have tried every possible means through regular channels to accomplish this. We feel now that we must call on you for help. It is my understanding that similar action is being taken in all of the Northeastern States. I believe that the congressional delegation from these States is being approached to the end that they are acquainted with the situation and in hopes that they can do something to help relieve it.

I appreciate that this is a very brief statement concerning this very serious problem. There is no question in our minds, however, that unless something is done soon we, here in the Northeast, will have to liquidate our cows and chickens to an extent far in excess of other areas of the country. We are willing, in view of present feed shortages and particularly in view of the situation in Europe, to do our part in the liquidation but we do not feel that we should be asked to do more than other areas.

I want to impress on you the fact that this matter is serious and I am in hopes that you

can assist in making available a larger supply of feed for the New Jersey farmers, at once.

Very truly yours,

HERBERT W. VOORHEES,
President.

NEW BRUNSWICK, N. J., March 4, 1946.

HON. GORDON CANFIELD,
Washington, D. C.:

Critical shortage of feed will force New Jersey poultrymen to dispose of an unwarranted number of laying fowls and greatly curtail raising of replacement stock. Governor's feed committee has placed facts before Secretary Anderson without results. We look to you for help. We need it.

C. T. DARBY,
President, New Jersey State Poultry
Association.

TRENTON, N. J., March 4, 1946.

HON. GORDON CANFIELD,
House Office Building, Washington, D. C.:
Feed situation in New Jersey most critical. Those in authority in Washington apparently unable to do anything about it. Already reducing milk production to an alarming degree. Can you help?

ARTHUR F. FORAN,
Director of Milk Control.

Atlanta Newspaper Charges Selfish Interests Attempting To Scuttle Veterans' Housing Program

EXTENSION OF REMARKS OF

HON. WRIGHT PATMAN
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 6, 1946

Mr. PATMAN. Mr. Speaker, the Atlanta Constitution long has been known as one of the most objective journals of the deep South.

For the benefit of those Members who might have been deceived by the propaganda barrage directed against our veterans' housing program by the real-estate speculators, I should like to include in the CONGRESSIONAL RECORD an editorial published by that newspaper on March 1:

BLOCKING THE HOUSING PROGRAM

The President's housing program had rough going in the House of Representatives yesterday.

All indications are that selfish interests are at work to scuttle the entire effort to provide low-cost homes for veterans.

Despite the fact that each day's delay is costing the Nation 3,000 urgently needed additional housing units, Congress continues to bicker and dawdle.

The housing measure currently under discussion, authored by the able Texan, Representative PATMAN, would merely authorize Federal Housing Administrator Wilson Wyatt to continue the priority system whereby available materials are channeled into low-cost houses for veterans.

Yet it is being indiscriminately attacked as communistic, bureaucratic, and dictatorial and is the target of as vicious an organized pressure campaign as has recently been seen on Capitol Hill.

One can only hope the Nation's homeless veterans are taking careful note of the identity of those who are blocking action on the only positive housing program yet offered. One trusts they will find it convenient, in

coming elections, to inquire of those who so vehemently oppose the President's plan why they have not a single alternative proposal to submit.

The Nation has an obligation to the millions of men who laid down their peacetime pursuits to bear arms in defense of our liberties.

They must be provided housing in the quickest, most practical manner. Those who, for their own selfish motives, are delaying the only plausible program to accomplish this should be called to account for their actions.

Our Silly Food Subsidies

EXTENSION OF REMARKS OF

HON. NOAH M. MASON
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 6, 1946

Mr. MASON. Mr. Speaker, the good judgment and sound common sense contained in the following editorial taken from the Chicago Tribune of Monday, March 4, 1946, concerning our present silly policy of providing food subsidies, is so applicable and pertinent to subsidies in general, and to the school-lunch subsidy and the proposed housing subsidy in particular, that I commend it to the thoughtful consideration of my colleagues in the House:

BONUS FOR HEAVY EATING

Every month the Government pays \$5 of the average family's grocery bill. The remittance isn't made to the housewife or the grocer, but the payment is made just the same. The way it works is that the Treasury sends some money to the flour millers and directs them to credit enough on every barrel of flour to reduce the price of a loaf of bread by a penny. The sugar people get their checks so that the consumer saves a cent a pound. The dairy people get a contribution of about a cent for each quart of milk. Other payments on behalf of each family are made for meat, cheese, and some other things.

The Government calls these subsidy payments. At the end of a year they amount to about \$2,000,000,000. That would average \$60 a family or \$5 a month. To get one's full share it is necessary to eat just the things the Government helps to pay for. In general vegetarians are out of luck. Those who are on a breadless reducing diet are out a penny on every loaf they don't eat. Citizens who are so desperately ill that they cannot eat anything receive, no consideration. To get the most out of the subsidy system, you must buy only the articles on which the bounty is paid, and at the table let yourself go with this rule as a guide: The more you buy and the more you eat, the more you save.

Playing favorites among the victuals does not become a government. A sick man ought to have as much consideration as a well one. The fair way to pass around this \$2,000,000,000 is to divide up the money, and let the consumer who likes spinach eat spinach, without cutting off his benefit payment. Let the ration board hand out a crisp new \$5 bill to each housewife every Monday morning. The cost to the Treasury would be exactly the same as at present. The benefit to the average family would be the same.

Of course, if the Government distributed the subsidy to the consumer to enable him to pay full price, instead of to the producer to enable him to sell at a cut price, nobody could pretend any longer that subsidy pay-

ments are necessary to prevent inflation. Anyone capable of a moment's sustained concentration would realize that subsidies are about the most inflationary elements in the whole economy. It is no more inflationary to give the consumer the money directly than to give it to somebody else to pass along.

Selling food below cost has had consequences that could have been foreseen. Despite record production in 1945, supplies are so much reduced that the President is organizing a famine emergency committee, whose object is to get people to eat less and waste less. An administration which pays a premium on eating, and then appeals to people to eat less is silly beyond all belief. Mr. Hoover will have rendered the country another great service if he enables Mr. Truman to understand this.

"Let Us Begin Afresh"

EXTENSION OF REMARKS OF

HON. LOUIS LUDLOW
OF INDIANA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 6, 1946

Mr. LUDLOW. Mr. Speaker, the war with its tragic and sternly realistic episodes has developed some of the finest poetry in the entire history of literature. In the midst of his exacting duties as a private first class, in Europe, Jack H. Monninger of Indianapolis has written a poem which I think is worthy of being preserved in the CONGRESSIONAL RECORD. It is as follows:

LET US BEGIN AFRESH

Let us bow our heads in shame, but keep
within our hearts the flame,
That makes our victories truly great.
As nations fall, as nations rise, let's show the
world that we surmise
The truth, that still shall guide our fate.
And if we falter on our way because of
wounds received in fray,
Let us fear not, for we are men of men.

Let us lift our heads with pride, and in our
fellow men confide,
That they might reach their weakened goals.
And like the blast that shook our world, so
peace could again be unfurled
We now must forge ahead with self control.
And if we are engulfed by fear and shirk
because our fate is near,
Let us begin afresh, and battle to the end.

Let us hear the Voice we seek, Yes we are
strong, but we are weak,
For we are fearing men of gathered mass.
If evils in our hearts still burn, we ask for
aid to help us spurn
This element, that tends to haunt us till the
last.
And if, in seeking for the light we lose our
way on darkest night,
Let us repent, and dawn shall come again.

Let us again regain our waste and send it
forth so all might taste
Our good, though long it has been dead.
And if our fears and wounds and faiths,
still cannot make us contemplate,
Then we are lost, the same as those we have
misled.
And if we know just why we fail, let us again
retrace our trail,
For we are men of men. "Let us begin
afresh."

—Jack Harris Monninger.

7/1/21.
7.

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 40

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 8, 1946, for actions of Thursday, March 7, 1946)

(For staff of the Department only)

CONTENTS

Agricultural appropriation bill (individual items not indexed).....1	Loans, farm.....11	Rural rehabilitation.....3
Grain shortage.....10	Minimum wage.....6	School lunch program.....13
Housing.....2,9,12	Property, surplus.....9,14	Transportation.....5,7
	Regional authority.....8	Veterans.....9,14
	Research.....4	Urgent deficiency.....15

HIGHLIGHTS: House agreed to resolution waiving points of order and began debate on agricultural appropriation bill. House passed Patman housing bill. Rules Committee reported resolutions for consideration of bills to slow up liquidation of rural rehabilitation projects and to transfer fur-bearing animal research to Department.

SENATE

NOT IN SESSION. Next meeting Fri., March 8.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1947. Agreed to a resolution waiving points of order and began debate on this bill, H. R. 5605 (pp. 2043-73). Rep. Tarver, Ga., discussed the bill's provisions (pp. 2047-54), criticized the work of BAE (pp. 2048-9), stated that the Secretary had already ordered the consolidation of the Department's warehousing activities (p. 2048), and commended the work of Arthur Orr (p. 2047). Rep. Sabbath, Ill., stated that the farmer has received more benefits in the past 12 or 13 years than ever before in any other administration (p. 2044). Rep. Allen, Ill., opposed the reduction in expenses for the agricultural conservation program (p. 2045). Rep. Plumley, Vt., criticized the new wage-price formula as discriminating against the farmer, stating that there will be increased cost in materials and equipment needed by the farmer, the cost of farm labor will increase, the farm labor supply will decrease, but that there will be no increase in the price ceilings on farm products; and criticized also a plan for the future which he outlines as allowing all farm prices to fall to the competitive world market price and pay the farmers subsidies to bring the price up to parity (pp. 2054-8). Rep. Dirksen, Ill., commended Arthur Orr, summarized world agricultural conditions, commended the Department's scientific research work, analyzed the basic functions of the Department, reviewed the 1946-crop goals, and called for production to implement the food conservation program (pp. 2059-63). Rep. Zimmerman, Mo., urged that farm machinery and equipment be made available (p. 2063). Rep. Murray,

Wis., charged that the Department has not lived up to the parity provisions of the Steagall amendment, and criticized the work of the House Agriculture and Food Investigation Committees (pp. 2063-66). Rep. Hand, N. J., called for a remedy for the poultry and food situations (p. 2066-7). Rep. Robertson, N. Dak. pointed out the position of Agriculture in the national economy, and called for the stabilization of farm prices at parity (pp. 2068-71). Rep. Hoselton, Mass., criticized the proposed changes in the formula under which AAA conservation payments would be distributed among the States, stating that the distribution of funds should be entirely on the basis of the conservation needs (pp. 2072-3).

2. HOUSING. Passed with amendments, 357-24, H. R. 4761, the Patman housing bill (pp. 2041-3). As finally passed the bill provides for a Housing Expediter with authority to fix prices on new housing, and establish priorities on material for the construction of housing in rural or urban areas and for the construction and repair of essential farm buildings. Provisions for subsidies on housing and price ceilings on existing houses were stricken from the bill.
3. RURAL REHABILITATION. The Rules Committee reported a resolution for the consideration of H. R. 2501, to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects (pp. 2043, 2074).
4. FUR-BEARING ANIMALS. The Rules Committee reported a resolution for the consideration of H. R. 2115, to transfer the fur-bearing animal research activities to this Department (pp. 2043, 2074).
5. TRANSPORTATION. Agreed to H. Res. 318, authorizing the House Interstate and Foreign Commerce Committee to investigate the transportation situation (p. 2074).
6. MINIMUM WAGE. Received a N. J. Council of Churches resolution endorsing legislation to raise the minimum wage level (p. 2075).
7. ST. LAWRENCE WATERWAY. Received petitions from various N. Y. organizations opposing this project (p. 2075).
8. MISSOURI VALLEY AUTHORITY. Received a Calif. Women's Democratic League petition favoring this project (p. 2075).

BILLS INTRODUCED

9. HOUSING. H. R. 5702, by Rep. Rogers, Mass., relating to veterans' priorities and preferences in purchasing surplus property suitable for residential purposes. To Expenditures in Executive Departments Committee. (p. 2074). Remarks of author (p. 2071).
10. GRAIN. H. J. Res. 325, by Rep. Voorhis, Calif., to prevent the use of grain for nonessential purposes during the period of shortage. To Agriculture Committee. (p. 2075.) Remarks of author explaining the measure (pp. 2067-8).

ITEMS IN APPENDIX

11. FARM LOANS. Extension of remarks of Rep. Hand, N. J., reporting the first FSA farm loan under the new GI Bill of Rights to a veteran in N. J. (p. A1255).

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, THURSDAY, MARCH 7, 1946

No. 40

Senate

The Senate was not in session today. Its next meeting will be held on Friday, March 8, 1946, at 12 o'clock meridian.

House of Representatives

THURSDAY, MARCH 7, 1946

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore [Mr. McCORMACK].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

MARCH 7, 1946.

I hereby designate the Honorable JOHN W. McCORMACK to act as Speaker pro tempore today.

SAM RAYBURN.

PRAYER

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we beseech Thee to deepen our faith when the sight is dim, and enlarge our trust when understanding is not clear. We confess that with our hearts of flesh we need Thy mercy and forgiveness. We pray for a unity of faith and knowledge of the Man who spake as never man spake, who calls us to bow down our wills in simple obedience, humility, patience, and strict truthfulness. Purge from every mind any lurking prejudice and give us grace to forbear and to persevere, brave in all the changes of fortune. Thou who hast made us in Thine own image, endowed by our country with high positions of great responsibilities, do Thou direct us with Thy integrity of purpose as we meet the exactions of the public trust; may we press toward the goal of high and holy influence in all our land. Vouchsafe to keep us this day without sin; let Thy mercy be upon us, as our trust is in Thee. Through Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

HOUSING STABILIZATION

The SPEAKER pro tempore. The unfinished business is the reading of the

engrossed copy of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. PATMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 45]

Adams	Gibson	Morrison
Arnold	Gossett	Norton
Baldwin, N. Y.	Hale	Patrick
Beall	Henry	Peterson, Ga.
Bland	Herter	Powell
Bonner	Holmes, Mass.	Priest
Buck	Howell	Rains
Cannon, Fla.	Jackson	Randolph
Cannon, Mo.	Jarman	Rich
Chapman	Johnson, Okla.	Rivers
Clark	Kelley, Pa.	Robinson, Utah
Cole, Kans.	Kilburn	Roe, N. Y.
Curley	Knutson	Sabath
Dirksen	Landis	Schwabe, Mo.
Domengeaux	McConnell	Sparkman
Durham	McGregor	Stigler
Fisher	McKenzie	Thom
Gardner	Miller, Nebr.	

The SPEAKER. On this roll call, 379 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill H. R. 4761.

The Clerk read the title of the bill.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent that the reading of the engrossed copy of the bill be dispensed with.

Mr. LESINSKI. I object, Mr. Speaker.

Mr. PATMAN. Mr. Speaker, the bill having been printed in the RECORD, I ask unanimous consent that the further reading of the engrossed copy be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Miss SUMNER of Illinois. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Miss SUMNER of Illinois. Yes, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Miss SUMNER of Illinois moves to recommit the bill to the Committee on Banking and Currency.

Mr. PATMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Miss SUMNER of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 76, nays 304, answered "present" 2, not voting 49, as follows:

[Roll No. 46]

YEAS—76

Allen, Ill.	Buffett	Ellsworth
Almond	Byrnes, Wis.	Fellows
Andrews, N. Y.	Canfield	Gavin
Arends	Chenoweth	Gillie
Barden	Clevenger	Goodwin
Bishop	Crawford	Graham
Boren	Curtis	Grant, Ind.
Bradley, Mich.	Dolliver	Gross
Brown, Ohio	Ellis	Gwinn, N. Y.

Gwynne, Iowa
Halleck
Hancock
Harness, Ind.
Hoffman
Jenkins
Jensen
Johnson, Ind.
Jones
Kilday
Klitzer
Lanham
LeFevre
Lemke
Martin, Mass.
Mason
O'Hara

Phillips
Ploesser
Plumley
Rankin
Reece, Tenn.
Reed, Ill.
Reed, N. Y.
Rees, Kans.
Rizley
Robertson,
N. Dak.
Russell
Schwabe, Okla.
Shafer
Short
Simpson, Pa.
Smith, Ohio

Smith, Wis.
Springer
Stockman
Summer, Ill.
Taber
Thomas, N. J.
Towe
Vorys, Ohio
Wadsworth
West
Whittington
Wigglesworth
Wilson
Winter
Wolfenden, Pa.
Woodruff

NAYS—304

Abernethy
Allen, La.
Andersen,
H. Carl
Anderson, Calif.
Andresen,
August H.
Andrews, Ala.
Angell
Auchincloss
Bailey
Baldwin, Md.
Barrett, Pa.
Barrett, Wyo.
Barry
Bates, Ky.
Bates, Mass.
Beckworth
Bell
Bender
Bennet, N. Y.
Bennett, Mo.
Biemiller
Blackney
Bloom
Bolton
Boykin
Bradley, Pa.
Brehm
Brooks
Brown, Ga.
Brumbaugh
Bryson
Buckley
Bulwinkle
Bunker
Burch
Burgin
Butler
Byrne, N. Y.
Camp
Campbell
Carlson
Carnahan
Case, N. J.
Case, S. Dak.
Celler
Chelf
Chipefield
Church
Clason
Clements
Clippinger
Cochran
Coffee
Cole, Mo.
Cole, N. Y.
Colmer
Combs
Cooley
Cooper
Corbett
Courtney
Cox
Cravens
Cresser
Cunningham
D'Alesandro
Daughton, Va.
Davis
Dawson
De Lacy
Delaney,
James J.
Delaney,
John J.
D'Ewart
Dirksen
Dondero
Doughton, N. C.
Douglas, Calif.
Douglas, Ill.
Doyle
Drewry
Dworshak
Earthman

Eaton
Eberharther
Elliott
Elsaesser
Elston
Engel, Mich.
Engle, Calif.
Ervin
Fallon
Feighan
Fenton
Fernandez
Flannagan
Flood
Fogarty
Forand
Fuller
Fulton
Gallagher
Gamble
Gary
Gearhart
Geelan
Gerlach
Gifford
Gillespie
Gillette
Gordon
Gore
Gorski
Granahan
Granger
Grant, Ala.
Green
Gregory
Griffiths
Hagen
Hall
Edwin Arthur
Hall,
Leonard W.
Hand
Hare
Harless, Ariz.
Harris
Hart
Hartley
Havenner
Hays
Healy
Hébert
Hedrick
Heffernan
Hendricks
Heselton
Hess
Hill
Hinshaw
Hobbs
Hoch
Hoeven
Holmes, Wash.
Hook
Hope
Horan
Howell
Huber
Hull
Izac
Jennings
Johnson, Calif.
Johnson, Ill.
Johnson,
Luther A.
Johnson,
Lyndon B.
Johnson, Okla.
Jonkman
Kearney
Keeffe
Kefauver
Kelly, Ill.

Keogh
Kerr
King
Kirwan
Klein
Kopplemann
Kunkel
LaFollette
Lane
Larcade
Latham
Lea
LeCompte
Lesinski
Lewis
Link
Luce
Ludlow
Lyle
Lynch
McCormack
McCowan
McDonough
McGehee
McGlinchey
McMillan, S. C.
McMillen, Ill.
Madden
Mahon
Maloney
Manasco
Mankin
Mansfield,
Mont.
Mansfield, Tex.
Marcantonio
Martin, Iowa
Mathews
May
Morrow
Michener
Miller, Calif.
Mills
Monroney
Morgan
Mundt
Murdock
Murphy
Murray, Tenn.
Murray, Wis.
Neely
Norblad
Norrell
O'Brien, Ill.
O'Brien, Mich.
O'Konski
O'Neal
O'Toole
Outland
Pace
Patman
Patrick
Patterson
Peterson, Fla.
Pfeifer
Philbin
Pickett
Pittenger
Poage
Price, Fla.
Price, Ill.
Quinn, N. Y.
Rabaut
Rabin
Ramey
Rayfiel
Resa
Richards
Riley
Robertson, Va.
Rockwell
Rodgers, Pa.
Roe, Md.
Roe, N. Y.
Rogers, Fla.
Rogers, Mass.

Rogers, N. Y.
Rooney
Rowan
Ryder
Sabath
Sadowski
Sasser
Savage
Scrivner
Sharp
Sheppard
Sheridan
Sikes
Simpson, Ill.
Slaughter
Smith, Maine
Smith, Va.
Somers, N. Y.
Spence

Starkey
Stefan
Stevenson
Stewart
Sullivan
Summers, Tex.
Sundstrom
Talbot
Talle
Tarver
Taylor
Thomas, Tex.
Thomason
Tibbott
Tolan
Torrens
Traynor
Trimble
Vinson

Voorhis, Calif.
Vursell
Walter
Wasielewski
Weaver
Welch
Welch
White
Whitten
Wickersham
Winstead
Wolcott
Wolverton, N. J.
Wood
Woodhouse
Worley
Zimmerman

ANSWERED "PRESENT"—2

Dingell Gathings

NOT VOTING—49

Adams
Arnold
Baldwin, N. Y.
Beall
Bland
Bonner
Buck
Cannon, Fla.
Cannon, Mo.
Chapman
Clark
Cole, Kans.
Curley
Domengeaux
Durham
Fisher
Gardner

Gibson
Gossett
Hale
Henry
Herter
Hollifield
Holmes, Mass.
Jackson
Jarman
Kelley, Pa.
Kilburn
Knutson
Landis
McConnell
McGregor
McKenzie
Miller, Nebr.

Morrison
Norton
Peterson, Ga.
Powell
Priest
Rains
Randolph
Rich
Rivers
Robinson, Utah
Robison, Ky.
Schwabe, Mo.
Sparkman
Stigler
Thom

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Dingell against.
Mr. Gathings for, with Mr. Priest against.
Mr. Miller of Nebraska for, with Mr. Sparkman against.

Mr. McGregor for, with Mrs. Norton against.
Mr. Beall for, with Mr. Powell against.
Mr. Kilburn for, with Mr. Gardner against.
Mr. Buck for, with Mr. Curley against.
Mr. Morrison for, with Mr. Kelley of Pennsylvania against.

Mr. McConnell for, with Mr. Baldwin of New York against.

Mr. Rich for, with Mr. Hale against.
Mr. Henry for, with Mr. Rivers against.
Mr. Schwabe of Missouri for, with Mr. Randolph against.

General pairs until further notice:

Mr. Durham with Mr. Holmes of Massachusetts.

Mr. Jackson with Mr. Robison of Kentucky.
Mr. Peterson of Georgia with Mr. Herter.
Mr. Bland with Mr. Cole of Kansas.
Mr. Rains with Mr. Adams.
Mr. Hollifield with Mr. Landis.
Mr. Stigler with Mr. Arnold.

Mr. GATHINGS. Mr. Speaker, I have a live pair with the gentleman from Tennessee, Mr. PRIEST. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. DINGELL. Mr. Speaker, I have a live pair with the gentleman from Minnesota, Mr. KNUTSON. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE and Mr. MARTIN of Massachusetts demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 357, nays 24, not voting 50, as follows:

[Roll No. 47]

YEAS—357

Abernethy
Allen, Ill.
Allen, La.
Almond
Andersen,
H. Carl
Anderson, Calif.
Andresen,
August H.
Andrews, Ala.
Andrews, N. Y.
Angell
Arends
Arnold
Auchincloss
Bailey
Baldwin, Md.
Barden
Barrett, Pa.
Barrett, Wyo.
Barry
Bates, Ky.
Bates, Mass.
Beckworth
Bell
Bender
Bennet, N. Y.
Bennett, Mo.
Biemiller
Blackney
Bloom
Bolton
Boykin
Bradley, Mich.
Bradley, Pa.
Brehm
Brooks
Brown, Ga.
Brown, Ohio
Brumbaugh
Bryson
Buckley
Buffett
Bulwinkle
Bunker
Burch
Burgin
Butler
Byrne, N. Y.
Camp
Campbell
Carlson
Carnahan
Case, N. J.
Case, S. Dak.
Celler
Chelf
Chenoweth
Chipefield
Church
Clason
Clements
Clippinger
Cochran
Coffee
Cole, Mo.
Cole, N. Y.
Colmer
Combs
Cooley
Cooper
Corbett
Courtney
Cox
Cravens
Cresser
Cunningham
D'Alesandro
Davis
Dawson
De Lacy
Delaney,
James J.
Delaney,
John J.
D'Ewart
Dingell
Dirksen
Dolliver
Dondero
Doughton, N. C.
Douglas, Calif.
Douglas, Ill.
Doyle
Drewry
Dworshak
Earthman

Eaton
Eberharther
Elliott
Ellis
Elsaesser
Elston
Engel, Mich.
Engle, Calif.
Ervin
Fallon
Feighan
Fellows
Fenton
Fernandez
Flannagan
Flood
Fogarty
Folger
Forand
Fuller
Fulton
Gallagher
Gamble
Gary
Gavin
Gearhart
Geelan
Gerlach
Gifford
Gillespie
Gillette
Gillie
Goodwin
Gordon
Gore
Gorski
Graham
Granahan
Granger
Grant, Ala.
Grant, Ind.
Green
Gregory
Griffiths
Gross
Gwynn, N. Y.
Gwynne, Iowa
Hagen
Hall
Edwin Arthur
Hall,
Leonard W.
Halleck
Hancock
Hand
Hare
Harless, Ariz.
Harris
Hart
Hartley
Havenner
Hays
Healy
Hébert
Hedrick
Heffernan
Hendricks
Heselton
Hess
Hill
Hinshaw
Hobbs
Hoch
Hoeven
Holmes, Wash.
Hook
Hope
Horan
Howell
Huber
Hull
Izac
Jenkins
Jennings
Jensen
Johnson, Calif.
Johnson, Ill.
Johnson, Ind.
Johnson,
Luther A.
Johnson,
Lyndon B.
Jonkman
Kearney
Keeffe
Kefauver
Kelly, Ill.

Kearney
Kee
Keeffe
Kefauver
Kelly, Ill.
Keogh
Kerr
King
Kinzer
Kirwan
Klein
Kopplemann
Kunkel
LaFollette
Lane
Larcade
Latham
Lea
LeCompte
LeFevre
Lemke
Lesinski
Lewis
Link
Luce
Ludlow
Lyle
Lynch
McCormack
McCowan
McDonough
McGehee
McGlinchey
McMillan, S. C.
McMillen, Ill.
Madden
Mahon
Maloney
Manasco
Mankin
Mansfield,
Mont.
Mansfield, Tex.
Marcantonio
Martin, Iowa
Martin, Mass.
Mathews
May
Morrow
Michener
Miller, Calif.
Mills
Monroney
Morgan
Mundt
Murdock
Murphy
Murray, Tenn.
Murray, Wis.
Neely
Norblad
Norrell
O'Brien, Ill.
O'Brien, Mich.
O'Konski
O'Neal
O'Toole
Outland
Pace
Patman
Patrick
Patterson
Peterson, Fla.
Pfeifer
Philbin
Pickett
Pittenger
Ploesser
Plumley
Poage
Price, Fla.
Price, Ill.
Quinn, N. Y.
Rabaut
Rabin
Ramey
Rankin
Rayfiel
Reece, Tenn.
Reed, Ill.
Rees, Kans.
Resa
Richards
Riley
Rizley
Robertson,
N. Dak.

Robertson, Va.	Smith, Va.	Vorys, Ohio
Robison, Ky.	Somers, N. Y.	Vursell
Rockwell	Spence	Wadsworth
Rodgers, Pa.	Springer	Walter
Roe, Md.	Starkey	Wasielewski
Roe, N. Y.	Stefan	Weaver
Rogers, Fla.	Stevenson	Weichel
Rogers, Mass.	Stewart	Welch
Rogers, N. Y.	Sullivan	White
Rooney	Summers, Tex.	Whitten
Rowan	Sundstrom	Whittington
Ryter	Talbot	Wickersham
Sabath	Talle	Wigglesworth
Sadowski	Tarver	Wilson
Sasscer	Taylor	Winstead
Schwabe, Okla.	Thomas, N. J.	Wolcott
Scribner	Thomas, Tex.	Wolfenden, Pa.
Shafer	Thomason	Wolverton, N. J.
Sharp	Tibbott	Wood
Sheridan	Tolan	Woodhouse
Sikes	Torrens	Woodruff
Simpson, Ill.	Traynor	Worley
Simpson, Pa.	Trimble	Zimmerman
Slaughter	Vinson	
Smith, Maine	Voorhis, Calif.	

NAYS—24

Boren	Hoffman	Smith, Ohio
Byrnes, Wis.	Jones	Smith, Wis.
Canfield	Kilday	Stockman
Clevenger	Lanham	Sumner, Ill.
Crawford	Mason	Taber
Curtis	Phillips	Towe
Ellsworth	Reed, N. Y.	West
Gathings	Short	Winter

NOT VOTING—50

Adams	Gibson	Norton
Baldwin, N. Y.	Gossett	Peterson, Ga.
Beall	Hale	Powell
Bland	Henry	Priest
Bonner	Herter	Rains
Buck	Holmes, Mass.	Randolph
Cannon, Fla.	Jackson	Rich
Cannon, Mo.	Jarman	Rivers
Chapman	Kelley, Pa.	Robinson, Utah
Clark	Kilburn	Russell
Cole, Kans.	Knutson	Savage
Curley	Landis	Schwabe, Mo.
Daughton, Va.	McConnell	Sheppard
Domengeaux	McGregor	Sparkman
Durham	McKenzie	Stigler
Fisher	Miller, Nebr.	Thom
Gardner	Morrison	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Sparkman with Mr. Miller of Nebraska.
 Mr. Peterson of Georgia with Mr. Knutson.
 Mrs. Norton with Mr. McGregor.
 Mr. Gardner with Mr. Kilburn.
 Mr. Curley with Mr. Buck.
 Mr. Morrison with Mr. Rich.
 Mr. Kelley of Pennsylvania with Mr. McConnell.
 Mr. Savage with Mr. Baldwin of New York.
 Mr. Stigler with Mr. Hale.
 Mr. Rivers with Mr. Henry.
 Mr. Randolph with Mr. Schwabe of Missouri.
 Mr. Priest with Mr. Cole of Kansas.
 Mr. Domengeaux with Mr. Holmes of Massachusetts.
 Mr. Chapman with Mr. Adams.
 Mr. Durham with Mr. Herter.
 Mr. Thom with Mr. Beall.
 Mr. Powell with Mr. Landis.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Health of the Committee on Interstate and Foreign Commerce may be permitted to sit this afternoon during general debate on this legislation. The SPEAKER. Is there objection to

the request of the gentleman from Arkansas?

There was no objection.

DOMESTIC RAISING OF FUR-BEARING ANIMALS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 544, Rept. No. 1684), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2115) relating to the domestic raising of fur-bearing animals. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

FEDERAL RURAL REHABILITATION PROJECTS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 545, Rept. No. 1685), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2501) to authorize the Secretary of Agriculture to continue administration of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall arise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

EXTENSION OF REMARKS

Mr. BREHM asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington edition of the Pittsburgh Courier.

Mr. Lecompte asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the American Legion of Albia, Iowa.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. FLANNAGAN, Mr. FORAND, and Mr. VOORHIS of California asked and were given permission to extend their remarks in the RECORD.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD in two instances; and include in

one a resolution adopted by the United Benefit Society.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL—FISCAL YEAR 1947

Mr. SABATH. Mr. Speaker, I call up House Resolution 536 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 5605) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1947, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

BENEFITS FOR AGRICULTURE

Mr. SABATH. Mr. Speaker, the Committee on Rules has said on several occasions it will not bring in a special rule waiving points of order on appropriation bills which include legislation. Nevertheless, we have granted such a rule for the Department of Agriculture appropriation bill. Most of the important provisions that would be subject to a point of order have received favorable consideration from the Committee on Agriculture. That committee has reported two bills that would make in order the main provisions in this bill, and the House has already acted favorably on the school-lunch bill.

Consequently, the Committee on Rules felt the rule on this bill should be granted waiving points of order to expedite beneficial appropriations for agriculture and the farmers of the Nation, and it is with real gratification I again offer a rule for agricultural appropriations.

The bill before us carries appropriations of \$1,102,000,000 for the operation of the Department of Agriculture alone and for the administration of the many laws entrusted to that vast Department. These huge expenditures are almost wholly for the direct benefit of American farms and American farmers. The appropriations in this bill are greater than the entire cost of running the United States Government for a whole year before the First World War. It was not until 1910 that the annual budget for the Federal Government exceeded \$1,000,000,000. Little of this billion-dollar appropriation will directly benefit those of us who live in the large population centers; nevertheless, it would not even occur to me to oppose a rule making it possible for us to vote on these appropriations in a bill carrying clear legislative provisions which, without this closed rule, would be subject to points of order.

ONE NATION, INDIVISIBLE

It has always been clear to me that we must all live together. There is no reason that the people of the cities should be at odds with the dwellers in the countryside. We are interdependent. We are one nation, indivisible. A prosperous farm population is essential to a prosperous city population, and farmers cannot produce at a profit when the urban populations have no money to buy with. We who live in the big cities are benefited, ultimately, by appropriations made directly to help the farmers.

Certainly I shall not, and surely other members from urban centers will not, make any objection to this rule or to the appropriation bill; yet whenever we come in here with legislation to the interest of the big population centers all kinds of objections are raised. Last week we heard frequently of States' rights. Sincerely I hope we will hear none of that, and I expect we will hear none of it, in regard to this bill, notwithstanding that we are making appropriations here to be spent in the States and counties and townships through the many divisions of the Department of Agriculture.

I had intended to read, in my time, some of the individual items in the bill; but I shall not detain the House. You are all intelligent and well-informed. You have no doubt read the bill and are familiar with its provisions. However, in order that the whole country may know what we are doing here for the benefit of the agricultural industry, and for the farmers of the Nation, I ask unanimous consent, Mr. Speaker, that I may insert in my remarks certain figures that can be readily understood by the industrious farmers of our great country.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Utah.

Mr. GRANGER. I wish to compliment the gentleman on his stand on agriculture. Coming from a large city like Chicago, in the great State of Illinois, the gentleman has always been very fair in the consideration of agricultural problems. I believe he realizes that agriculture is just as important to the great city of Chicago as it is to the men who work on the farms.

LIVING COSTS OF 55 PERCENT

Mr. SABATH. I fully appreciate that. It is also necessary and in the interest of the farmer that things be manufactured and produced. That requires labor, and that labor must exist, at least, to be able to produce the things the farmers need, so I have always felt that not only the farmer but labor too should receive consideration. Unfortunately, many Members are willing to vote millions for the farmers; but when it comes to voting for legislation that may be beneficial to the workers of our Nation they vote against it.

We realize that the cost of living has gone up. It has gone up, especially on food, nearly 55 percent. Wage earners residing in the large centers, and even in the smaller, cannot exist on the low wages industry is trying to force upon the wage earners of this Nation.

Once more I plead that you gentlemen from the areas where this bill is going to help most directly will, in the future, and in all fairness, cease to oppose legislation that may make the life of millions of wage earners a little easier; will not join with a few spokesmen for big industry to rush through legislation to shackle the workers.

REAL WAGES REDUCED

I know some will say that wages of workers in the steel industry have in-

creased. True, but those increases will be of benefit only to the highly organized wage earners. Steel workers are a small fraction of all organized workers; and at the highest possible estimate there are less than 16,000,000 members of labor unions, while we have a total of 55,000,000 workers. Thus there are some 39,000,000 unorganized wage earners and white-collar workers who will not share in any wage increases forced from reluctant business by demands of organized labor.

They will, in fact, suffer a reduction in their real incomes; for industry extracted from our Government, before any wage increases were granted, an increase in the prices of their products which again will increase the cost of living. We must not permit any further increase in the cost of living; and we must devise means to aid the millions of unorganized and underpaid workers faced already with food prices which have shot skyward in the last few years.

WHITE-COLLAR WORKERS SUFFER

Mr. Speaker, we must not lose sight of the plight of the white-collar workers, the annuitants, the pensioners—people whose dollar incomes are tightly fixed, and to whom every increase in living costs means a decrease in their real income. If living costs continue to rise, and I hope we have the intelligence and the courage to prevent that, there are millions of people whose incomes are less than \$1,300 a year who will not be able to maintain standards of even bare decency.

Of course, the farmer does not get all that the wage earner's wife gives to the butcher or grocer for food. We fully appreciate that. Nevertheless, it is nearly impossible today for wives and mothers with perhaps three or four children to make ends meet. Something should be done. Something must be done.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. HARRIS. Of course, we are all concerned about the class of people that the gentleman refers to. It is a tremendous problem which we have to deal with, especially at this time when there is a tendency to inflation. I also come from a rural and agricultural area and want to commend the gentleman for his forthright stand on these matters which are of such tremendous importance to the farmer.

Mr. SABATH. Mr. Speaker, I shall not detain the House any longer. I realize that we have had 7 or 8 days of hard debate in the House. Many gentlemen hope to attend to at least part of the accumulated work that awaits them in their offices and elsewhere. So I shall conclude my remarks. I have obtained permission to extend my remarks and insert therein some figures and some editorials on the points applicable to the legislation before us.

WHAT EVERY FARMER SHOULD KNOW

It appears to me that every farmer should know that more benefits have been extended to him during the past 12 or 13 years than in the history of any other administration.

During the last 13 years the Democratic Party, first under the leadership of the late Franklin D. Roosevelt and now under the leadership of President Truman, and under a Democratic Congress, has given more direct aid to agriculture than did the Republican Party in all the years from the Civil War on, perhaps more than all administrations since the founding of our Republic. We have appropriated to the direct aid of agriculture since the Democratic Party won control of the House 14 hundred million dollars—14 billions of dollars.

We have rescued the farmers from the clutches of Wall Street and the loan sharks. We have provided low-cost crop insurance; low interest rates; orderly distribution of products. We have made possible stabilization of marketing; improved farm roads; irrigation projects, reclamation projects. We have electrified the farm through Rural Electrification Administration, and have made possible on millions of farm homes radios, electric sewing machines, electric washers and milkers and feed grinders. We have made possible cooperative telephone service in communities where private companies could not go with profit.

We have reduced interest rates. The farmer has been able to escape from his mountain of debt; to buy automobiles and trucks and tractors and combines, and pay interest less than half that he paid in years gone by.

FARMER RESCUED FROM WALL STREET

The farmer has paid off his mortgages, improved his property, increased his crop yield and his livestock.

It has been possible, without sacrificing his homestead, for the American farmer to buy the machinery to reduce tremendously the toil and time required to plant and to harvest. Never before in history have bank deposits been heavier in the community banks of the farm belt, and today 60 percent of farms are clear of mortgages.

This vast program of improvement for the farmer, conceived and carried out by the Democratic Congress and the Democratic administration, was not done merely to gather in votes but because it was the due of the farmer, exploited by bankers and loan sharks and insurance companies, by industry and business, by Wall Street and the gamblers of the grain pits, for generations. By creation of the Farm Credit Administration, Farm Security, Federal Crop Insurance, Federal Land Banks, Farm Mortgage Corporation; Commodity Credit Corporation, Agricultural Adjustment Agency, and other practical, down-to-earth administrative measures the American farmer has been made into an independent businessman, able to meet the greed and avarice of "big money" on an equal basis and hold his own.

At the same time, the research functions of the Department of Agriculture have been expanded, and every farmer's unceasing toil is rewarded by new and more bountiful production in a stable market. Everything possible to human ingenuity has been done to restore the balance between farming and industry.

79TH CONGRESS
2^D SESSION

H. R. 4761

IN THE SENATE OF THE UNITED STATES

MARCH 8 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on Banking and Currency

AN ACT

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the National Housing Act, as amended, is amended
4 by inserting after title VI thereof a new title, as follows:

5 “TITLE VII—STABILIZATION OF HOUSING PRICES

6 “SEC. 701. (a) The Congress declares that an emergency
7 exists wherein there are insufficient facilities for housing large
8 segments of the population, that large numbers of veterans of

1 the armed forces are returning to civilian life in need of hous-
2 ing accommodations which are not available, and that it is
3 necessary for the health and safety of the people that all
4 facilities of the United States Government be made available
5 and coordinated to obtain a maximum amount of housing.
6 The purposes of this title are to stabilize the prices of real
7 estate to be used for housing purposes, and to prevent specu-
8 lative, unwarranted, and abnormal increases in the selling
9 prices of such real estate; to eliminate and prevent profiteer-
10 ing in the sale of real estate for housing purposes, the hoard-
11 ing of materials necessary for the construction of housing and
12 other buildings, and other disruptive practices; to encourage
13 the production of housing at a fair profit; to improve the
14 housing of the people of the Nation in order to foster their
15 health and general welfare; to encourage employment in the
16 housing construction industry, and to maintain such industry
17 at a high level of productivity; to prohibit an undue dis-
18 sipation of the savings of the people in the Nation in the
19 purchase of homes at speculative prices; to permit returning
20 veterans to acquire housing at fair prices; and to prevent a
21 post-emergency collapse of values in the housing field and
22 to promote a swift and orderly transition to a peacetime
23 economy.

24 “(b) The provisions of this title, and all regula-
25 tions and orders issued thereunder, shall terminate on

1 June 30, 1947, or upon the date specified in a con-
2 current resolution by the two Houses of the Congress, de-
3 claring that the provisions of the title are no longer
4 necessary to deal with the existing national emergency,
5 whichever date is the earlier.

6 “(c) The provisions of this title shall be applicable
7 to the United States, its Territories and possessions, and the
8 District of Columbia.

9 “SEC. 702. (a) There is hereby created an office to
10 be known as Housing Expediter; and the President is author-
11 ized to designate an existing official of the Government to
12 serve as Housing Expediter, or to appoint the Housing
13 Expediter either within any existing agency or as inde-
14 pendent officer of the Government. In the event of a
15 designation of an existing official, he is hereby authorized
16 and permitted to continue in his present post while serving
17 as Housing Expediter, except that he shall receive no addi-
18 tional compensation by reason of his designation hereunder.
19 If, however, such Housing Expediter is appointed, his ap-
20 pointment shall, if within an existing agency of the Gov-
21 ernment, be subject to the laws and regulations governing
22 the appointment of officers within such agency and he shall
23 receive compensation in compliance with such laws and
24 regulations; if the Housing Expediter is appointed as an
25 independent officer of the Government, then such appoint-

1 ment shall be made by and with the advice and consent of
2 the Senate of the United States and he shall receive compen-
3 sation at the rate of \$12,000 per annum.

4 “(b) The Housing Expediter, in addition to such other
5 functions and powers as may be delegated to him by the
6 President, is authorized to—

7 “(1) formulate such plans and programs as are
8 necessary to provide for an increased supply of housing
9 accommodations of all kinds and, in particular, of homes
10 available for sale or rental at moderate prices to veterans
11 of World War II and their immediate families;

12 “(2) issue such orders, regulations, or directives
13 to other executive agencies as may be necessary to
14 provide for the exercise of their powers in a manner
15 required by or consistent with the execution of the
16 aforesaid plans and programs, and to coordinate the
17 activities of such agencies directed to the execution
18 of such plans and programs. Each executive agency
19 shall carry out without delay the orders, regulations,
20 or directives of the Housing Expediter, and shall, to
21 the extent necessary, modify its operations and pro-
22 cedures from time to time to conform to the directions
23 of the Housing Expediter;

24 “(3) recommend to the President the enactment
25 of such legislation as may be necessary to provide the

1 authority to carry out such plans and programs as are
2 not authorized under existing law;

3 “(4) consult and cooperate with other agencies
4 of the Federal Government, State and local govern-
5 ments, industries, labor, and other groups, both national
6 and local, with respect to the problems created by
7 the housing emergency and the steps which can be
8 taken to remedy it.

9 “(c) The executive agencies of the Government shall
10 exercise their emergency powers and other powers for the
11 purpose of aiding in the solution of the problems created
12 by the existing housing emergency, the alleviation of which
13 is vital to an orderly transition from war to peace.

14 “(d) (1) All functions, powers, authority, or duties
15 vested in the Office of War Mobilization and Reconversion
16 or the Director thereof by the War Mobilization and Recon-
17 version Act of 1944 which are or may be necessary or
18 suitable to enable the Housing Expediter to carry out the
19 provisions of this title and such plans and programs as such
20 Housing Expediter may develop for the alleviation of the
21 housing emergency, are hereby transferred to the Housing
22 Expediter. The powers so transferred shall include the
23 power to issue orders, regulations, or directives to other
24 executive agencies with respect to the exercise by such
25 agencies of their respective powers and authority.

1 “(2) The powers so transferred shall continue during
2 the period in which this Act is in effect, notwithstanding
3 any other provision terminating such powers contained in
4 the said War Mobilization and Reconversion Act of 1944.

5 “SEC. 703. (a) Whenever in the judgment of the
6 Expediter the sales prices of housing accommodations the
7 construction of which is completed after the effective date of
8 this title have risen or threaten to rise to an extent or in a
9 manner inconsistent with the purposes of this Act, he may
10 by regulation or order establish maximum sales prices for
11 such housing accommodations in accordance with the pro-
12 visions of this title. Any such regulation or order may be
13 limited in its scope to such geographical area or areas and to
14 such types or classifications of such housing accommodations
15 as in the judgment of the Expediter may be necessary to
16 effectuate the purposes of this title. Before issuing any regu-
17 lation or order under this section, the Expediter shall, so far
18 as practicable, advise and consult with representative mem-
19 bers of industries affected by such regulation or order, and he
20 shall give consideration to their recommendations and to any
21 recommendations which may be made by State and local
22 officials concerned with housing conditions in any area
23 affected by such regulation or order.

24 “(b) Any regulation or order issued under the authority
25 of this section with respect to housing accommodations the

1 construction of which is completed after the effective date of
2 this title shall provide that no sale of any such housing accom-
3 modations shall take place until after the builder thereof has
4 filed with the appropriate agency designated by the Expediter
5 a description of such accommodations, including a statement
6 of the proposed maximum sales price, and has received from
7 such agency a certification that such price is reasonably re-
8 lated to the value of the accommodations to be sold, taking
9 into consideration (1) reasonable construction costs not in
10 excess of the legal maximum prices of the materials and
11 services required for the construction, (2) the fair market
12 value of the land (immediately prior to construction) and im-
13 provements sold with the housing accommodations, and (3)
14 a margin of profit reflecting the generally prevailing profit
15 margin upon comparable units during the calendar year 1941.
16 Any prospective seller of such housing accommodations may
17 apply for such certification at any time, including before the
18 commencement of construction, during its progress, or after
19 its completion. In any case where a certification of approval
20 of a proposed maximum sales price has been issued prior to
21 the completion of construction, the prospective seller may, at
22 any time before the first sale, apply for such revision of the
23 maximum sales price previously certified as may be justified
24 by a showing of special circumstances arising during the
25 course of construction and not reasonably to have been antici-

1 pated at the time of the issuance of the earlier certification.
2 The first sale of housing accommodations the construction
3 of which is completed after the effective date of this title shall
4 not be made at a price in excess of the maximum sales price
5 certified under this subsection. The actual price at which
6 any such housing accommodations is first sold, plus any
7 increases authorized pursuant to subsection (c), shall be the
8 maximum sales price for any subsequent sale of such housing
9 accommodations.

10 “(c) The Expediter shall by regulation or order provide
11 for appropriate price increases for major structural changes
12 or improvements, not including ordinary maintenance and
13 repair, effected subsequent to the first sale after the effective
14 date of this title.

15 “(d) The Expediter may promulgate such regulations
16 as he deems necessary and proper to carry out any of the
17 provisions of the title and may exercise any power or
18 authority conferred upon him by this title through such
19 department, agency, or officer as he shall direct. Any regu-
20 lation or order under this title may contain such classifica-
21 tions and differentiations and may provide for such adjust-
22 ments and reasonable exceptions as in the judgment of the
23 Expediter are necessary or proper in order to effectuate the
24 purposes of this title. The Expediter shall have power to

1 forbid the export of any lumber or other materials to any
2 foreign country which are needed for the housing program.

3 “(e) Whenever in the judgment of the Expediter such
4 action is necessary or proper in order to effectuate the
5 purposes of this title, he may by regulation or order make
6 such provisions as he deems necessary to prevent the circum-
7 vention or evasion thereof and he may regulate or prohibit
8 speculative or manipulative practices (including the requir-
9 ing of the purchase of land prior to or as a condition of
10 undertaking construction work or the requiring of the pur-
11 chaser of housing accommodations to buy additional land or
12 any commodity or service as a condition of securing such
13 housing accommodations) in connection with the sale of any
14 housing accommodations which in his judgment are equiva-
15 lent to or likely to result in price increases inconsistent with
16 the purposes of this title.

17 “SEC. 704. (a) Whenever in the judgment of the Ex-
18 pediter there is a shortage in the supply of any material or of
19 any facilities suitable for the construction and/or completion
20 of housing accommodations in rural and urban areas, and
21 for the construction and repair of essential farm buildings,
22 he may by regulation or order allocate, or establish priorities
23 for the delivery of, such material or facilities in such manner,
24 upon such conditions, and to such extent as he deems neces-

1 sary and appropriate in the public interest and to effectuate
2 the purposes of this title; and the Expediter is authorized
3 regardless of any other legislation to direct the Office of
4 Price Administration to make such price adjustments as are
5 necessary to stimulate the production of building materials.

6 “(b) In issuing any regulation or order allocating or
7 establishing priorities for the delivery of any material or
8 facilities under this section, the Expediter shall give special
9 consideration to (1) the general need for housing accom-
10 modations for sale or rent at moderate prices, (2) the need
11 for the construction and repair of essential farm buildings,
12 and (3) satisfying the housing requirements of veterans of
13 World War II and their immediate families.

14 “(c) The provisions of this section shall not be construed
15 as in any way affecting the power of the President to assign
16 priorities or to allocate any materials or facilities under the
17 provisions of subsection (a) of section 2 of the Act of June
18 28, 1940, entitled ‘An Act to expedite national defense, and
19 for other purposes’, as amended.

20 “SEC. 705. It shall be unlawful for any person to effect,
21 either as principal or broker, a sale of any housing accommo-
22 dations at a price in excess of the maximum sales price
23 applicable to such sale under the provisions of this title, or to
24 offer, solicit, attempt, or agree to making any such sale. It
25 shall be unlawful for any person to violate the terms of any

1 regulation or order issued under the provisions of this title.
2 Notwithstanding any termination of this title as contemplated
3 in section 701 (b) hereinabove, the provisions of this title,
4 and of all regulations and orders issued thereunder, shall be
5 treated as remaining in force, as to rights or liabilities in-
6 curred or offenses committed prior to such termination date,
7 for the purpose of sustaining any proper suit, action, or
8 prosecution with respect to any such right, liability, or
9 offense.

10 "SEC. 706. Any person who is aggrieved by any
11 action taken pursuant to any regulation or order issued under
12 the authority of this title may petition the district court
13 of the district in which he resides or has his place of busi-
14 ness for a review of such action, and such district court
15 shall have jurisdiction to enjoin or set aside, in whole or in
16 part, such action or to dismiss the petition. No such action
17 shall be enjoined or set aside, in whole or in part, unless
18 the petitioner establishes to the satisfaction of the court that
19 such action is not in accordance with law is unsupported
20 by competent, material and substantial evidence or is arbi-
21 trary or capricious.

22 "SEC. 707. (a) Whenever in the judgment of the
23 Expediter any person has engaged or is about to engage in
24 any acts or practices which constitute or will constitute
25 a violation of any provision of section 705 of this title,

1 he may make application to the appropriate court for an
2 order enjoining such acts or practices, or for an order en-
3 forcing compliance with such provision, and upon a show-
4 ing by the Expediter that such person has engaged or is
5 about to engage in any such acts or practices a perma-
6 nent or temporary injunction, restraining order, or other
7 order may be granted and if granted shall be granted without
8 bond.

9 “(b) Any person who willfully violates any provision
10 of section 705 of this title, and any person who knowingly
11 makes any statement or entry false in any material respect in
12 any record or report required to be kept or filed under
13 section 703, shall, upon conviction thereof, be subject to a
14 fine of not more than \$5,000, or to imprisonment for not more
15 than one year or to both such fine and imprisonment. When-
16 ever the Director has reason to believe that any person is
17 liable to punishment under this subsection, he may certify the
18 facts to the Attorney General, who may, in his discretion,
19 cause appropriate proceedings to be brought.

20 “(c) The district courts shall have jurisdiction of crimi-
21 nal proceedings for violations of section 705 of this title,
22 and, concurrently with State and Territorial courts, of all other
23 proceedings under this section. Such criminal proceed-
24 ings may be brought in any district in which any part of any
25 act or transaction constituting the violation occurred. Such

1 other proceedings may be brought in any district in which any
2 part of any act or transaction constituting the violation oc-
3 curred, and may also be brought in the district in which the
4 defendant resides or transacts business, and process in such
5 cases may be served in any district wherein the defendant
6 resides or transacts business or wherever the defendant may
7 be found. Any such court shall advance on the docket and
8 expedite the disposition of any criminal or other proceedings
9 brought before it under this section. No costs shall be
10 assessed against the Expediter or the United States Govern-
11 ment in any proceeding under this title.

12 “(d) If any person selling housing accommodations
13 violates a regulation or order prescribing a maximum selling
14 price, the person who buys such housing accommodations
15 may, within one year from the date of the occurrence of
16 the violation, bring an action for treble the amount by
17 which the consideration exceeded the maximum selling
18 price, plus reasonable attorney’s fees and costs as deter-
19 mined by the court. If the buyer fails to bring an action
20 under this subsection within sixty days from the date of
21 the violation, the Expediter may bring such action on behalf
22 of the United States within one year from the date of the
23 violation. If such action is brought by the Expediter, the
24 buyer shall thereafter be barred from bringing an action for
25 the same violation.

1 “SEC. 708. As used in this title—

2 “(a) The term ‘maximum sales price’ means the maxi-
3 num price for which any housing accommodations the con-
4 struction of which is completed after the effective date of
5 this title may be sold and includes the total consideration
6 which may be paid by the buyer for such housing accom-
7 modations with accompanying land and improvements, ex-
8 cluding only those incidental charges, such as brokerage fees
9 or commissions or charges, which buyers or sellers of such
10 housing accommodations customarily assume in the com-
11 munity where such accommodations are located and which
12 actually have been incurred for services rendered at the
13 buyer’s or seller’s request.

14 “(b) The term ‘person’ includes an individual, corpora-
15 tion, partnership, association, or any other organized group
16 of any of the foregoing, or legal successor or representative
17 of any of the foregoing.

18 “(c) The term ‘district court’ means any district court
19 of the United States, and the United States court for any
20 Territory or other place subject to the jurisdiction of the
21 United States.

22 “SEC. 709. There are authorized to be appropriated such
23 sums as may be necessary or proper to carry out the provisions
24 and purposes of this title: *Provided, however,* That so much of
25 the First Deficiency Appropriation Act, 1946 (Public Law

1 Numbered 269, Seventy-ninth Congress, approved December
2 28, 1945), as reads *Provided*, That none of the funds avail-
3 able under this head for administrative expenses shall be used
4 in paying the salary of any person engaged in making or
5 processing loans in excess of \$500,000 to any State, any
6 subdivision thereof, any municipality therein, or any public
7 authority, for construction purposes, unless in pursuance of a
8 specific authorization, except, however, that this provision
9 shall not apply to any application or loan approved or made
10 prior to December 15, 1945, shall not apply to loans made
11 for construction, removal, or remodeling of housing by pub-
12 licly supported educational institutions where made for the
13 purposes of housing veterans enrolled and attending such
14 institution.

15 “SEC. 710. If any provision of this title or the applica-
16 tion of such provision to any person or circumstances shall
17 be held invalid, the validity of the remainder of the title
18 and the applicability of such provision to other persons or
19 circumstances shall not be affected thereby.

20 “SEC. 711. (a) Section 603 (a) of the National Hous-
21 ing Act, as amended, is hereby amended to read as follows:

22 ““(1) In order to assist in relieving the acute short-
23 age of housing which now exists and to increase the supply
24 of housing accommodations available to veterans of World
25 War II at prices within their reasonable ability to pay,

1 the Administrator is authorized, upon application by the
2 mortgagee, to insure as hereinafter provided any mortgage
3 which is eligible for insurance as hereinafter provided, and,
4 upon such terms as the Administrator may prescribe, to
5 make commitments for the insuring of such mortgages prior
6 to the date of their execution or disbursement thereon: *Pro-*
7 *vided*, That the aggregate amount of principal obligations
8 of all mortgages insured under this title shall not exceed
9 \$2,800,000,000 except that with the approval of the Presi-
10 dent such aggregate amount may be increased to not to
11 exceed \$3,800,000,000: *Provided further*, That no mort-
12 gage shall be insured under this title after June 30, 1947,
13 except (A) pursuant to a commitment to insure issued on
14 or before June 30, 1947, or (B) a mortgage given to re-
15 finance an existing mortgage insured under this title and
16 which does not exceed the original principal amount and
17 unexpired term of such existing mortgage: *And provided*
18 *further*, That the Administrator shall, in his discretion, have
19 power to require the availability for rental purposes of
20 properties covered by mortgages insured under this title, in
21 such instances and for such periods of time as he may pre-
22 scribe.'

23 " (b) Section 603 (b) (2) of the National Housing
24 Act, as amended, is hereby amended to read as follows:

25 " (2) involve a principal obligation (including

1 such initial service charges, appraisal, inspection, and
2 other fees as the Administrator shall approve) in an
3 amount not to exceed 90 per centum of the appraised
4 value (as of the date the mortgage is accepted for
5 insurance) of a property, urban, suburban, or rural,
6 upon which there is located a dwelling designed prin-
7 cipally for residential use for not more than four
8 families in the aggregate, which is approved for mort-
9 gage insurance prior to the beginning of construction.
10 The principal obligation of such mortgage shall in
11 no event, however, exceed—

12 “ ‘ (A) \$5,400 if such dwelling is designed for
13 a single-family residence, or

14 “ ‘ (B) \$7,500 if such dwelling is designed for
15 a two-family residence, or

16 “ ‘ (C) \$9,500 if such dwelling is designed for
17 a three-family residence, or

18 “ ‘ (D) \$12,000 if such dwelling is designed
19 for a four-family residence:

20 *Provided*, That the Administrator may, if he finds that
21 at any time or in any particular geographical area it
22 is not feasible, within such limitations of maximum
23 mortgage amounts, to construct dwellings without sacri-
24 fice of sound standards of construction, design, or

1 liability, prescribe by regulation or otherwise higher
2 maximum mortgage amounts not to exceed—

3 “ ‘ (A) \$8,100 if such dwelling is designed for
4 a single-family residence, or

5 “ ‘ (B) \$10,800 if such dwelling is designed for
6 a two-family residence, or

7 “ ‘ (C) \$13,500 if such dwelling is designed for
8 a three-family residence, or

9 “ ‘ (D) \$16,200 if such dwelling is designed for
10 a four-family residence.’

11 “ (c) Section 603 (b) (5) of the National Housing
12 Act, as amended, is hereby amended to read as follows:

13 “ ‘ (5) bear interest (exclusive of premium charges
14 for insurance) at not to exceed 4 per centum per annum
15 on the amount of the principal obligation outstanding at
16 any time.’

17 “ (d) Section 603 (c) of the National Housing Act, as
18 amended, is hereby amended (1) by striking out of the third
19 sentence the word ‘emergency’ and inserting in lieu thereof
20 the words ‘shortage of housing’, and (2) by striking out the
21 last sentence thereof and inserting in lieu thereof the follow-
22 ing sentence: “The Administrator shall prescribe such pro-
23 cedures as in his judgment are necessary to secure to veterans
24 of World War II, and their immediate families, and to hard-
25 ship cases as defined by the Administrator, preference or

1 priority of opportunity to purchase or rent properties covered
2 by mortgages insured under this title.'

3 " (e) Section 608 (b) of the National Housing Act, as
4 amended, is hereby amended (1) by amending paragraph
5 numbered (2) thereof to read as follows:

6 " '(2) Preference or priority of opportunity in the
7 occupancy of the mortgaged property for veterans of World
8 War II and their immediate families, and for hardship cases
9 as defined by the Administrator, shall be provided under
10 such regulations and procedures as may be prescribed by the
11 Administrator'; and (2) by striking out '\$1,350' and in-
12 serting in lieu thereof '\$1,500'.

13 " (f) Section 608 (c) of the National Housing Act,
14 as amended, is hereby amended by inserting in the third
15 sentence before the semicolon at the end of clause '(C)',
16 the following: 'and any mortgage insurance premiums paid
17 after default'."

Passed the House of Representatives March 7, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

MARCH 8 (legislative day, MARCH 5), 1946
Read twice and referred to the Committee on
Banking and Currency

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Legislative Reports and Service Section
(For Department staff only)

Issued April 8, 1946
For actions of April 5 & 6, 1946
79th-2nd, Nov. 61 and 62

CONTENTS

AAA Act.....	23	Housing.....	2,9,35	Price control.....	2,30,34
Adjourned.....	8,14	Inflation.....	29	Property, surplus.....	16,33
Appropriations.....	9	Labor, farm.....	1	RFC report.....	5
Civil service.....	10	Lands, public.....	12,17,19	Reclamation.....	11,25
Congressional		Livestock & meats.....	9	Relief, foreign.....	31
reorganization.....	18	Minimum wage.....	1,7	Salaries.....	3,27
Cotton.....	1,7,23	Nomination.....	4,6	Transportation.....	28
Farm credit.....	13	Personnel.....	3,27	Under Secretary.....	6,13
Forestry.....	12	Postal service.....	21	Veterans.....	16,33
Food investigation.....	15			Water pollution.....	20
Grain.....	22,32	Legislative program.....	13	Wool.....	24

HIGHLIGHTS: Senate passed minimum-wage bill. Sen. Thomas, Okla., criticized Bowles order to Anderson to approve requirement for increase in cotton exchanges' margin requirements. Senate committee reported Patman housing bill providing for price control and subsidies. Sen. Thomas, Okla., asked for \$5,000 to continue food investigation. Senate unanimously confirmed nomination of Dodd as Under Secretary of Agriculture.

SENATE - April 5

1. **MINIMUM-WAGE BILL.** Passed with amendments this bill, S. 1349 (pp. 3233-8, 3230-40, 3244-67).

Agreed to the following amendments:

By Sen. Bushfield, S. Dak., to specifically exempt employees within the area of production engaged in handling, packing, storing, ginning, pasteurizing, drying, preparing in their raw or natural state, or canning agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products (pp. 3230-1).

By Sen. Wiley, Wis., to provide that "area of production" shall be defined by the Secretary of Agriculture rather than the Wage-Hour Administrator (pp. 3231-40).

By Sen. Capehart, Ind., (41-27) to increase the minimum wage from 60 to 65 cents (pp. 3244-7).

By Sens. Ellender and Ball (except as modified by the above amendments), a compromise on various provisions of the bill (p. 3247).

Rejected the following amendments:

By Sen. Wiley, to permit the President to reduce the minimum-wage levels in emergencies (p. 3247).

By Sen. Taylor, Idaho, to include farm labor under the bill (p. 3256).

Sen. Thomas, Okla., criticized a recent order from the Economic Stabilization Director to the Secretary of Agriculture requiring the Secretary to approve an order for the cotton exchanges to increase their margin requirements (pp. 3256-67).

2. HOUSING. The Banking and Currency Committee reported with amendments H. R. 4761, the Patman housing bill, which provides for price control and subsidies (S.Rept. 1130)(p. 3222). This bill was made the unfinished business April 6 (p. 3324).

3. FEDERAL PAY BILL. Sens. Downey, Byrd, Langer, and Hickenlooper were appointed Senate conferees on this bill, S. 1415 (pp. 3228-30). House conferees have not yet been appointed.

4. NOMINATION. The Senate Agriculture and Forestry reported favorably the nomination of N. E. Dodd to be Under Secretary of Agriculture (p. 3268).
Confirmed the nomination of Bernard M. Baruch to be U. S. representative on the U. N. Commission on Atomic Energy (p. 3268).

5. RFC REPORT for Dec. 1945 was received (p. 3222).

SENATE - April 6

6. NOMINATION. Unanimously confirmed the nomination of N. E. Dodd to be Under Secretary of Agriculture (p. 3325).

7. MINIMUM-WAGE BILL. Sen. Thomas, Okla., obtained unanimous consent for correction of the record regarding the parliamentary situation when he discussed the cotton-exchange order (p. 3301).

8. RECESSED until Mon., April 8 (p. 3325).

HOUSE - April 5

9. D. C. APPROPRIATION BILL. Passed with amendments this bill, H. R. 5990 (pp. 3270-96). For provisions of interest to the Department see Digest 60. During the debate, Rep. Hoffman, Mich., criticized OPA and CPA regulations as hindering full production of housing (pp. 3279-82). Rep. Wickersham, Okla., criticized OPA regulations on meats and eggs (pp. A3288-9).

10. CIVIL SERVICE. Both Houses received from the President the 62nd annual report of the Civil Service Commission, fiscal year 1945 (pp. 3222, 3296).

11. RECLAMATION. The Rules Committee reported a resolution for the consideration of H. R. 5674, to amend the laws authorizing the performance of necessary protection work between the Yuma project and the Boulder Dam by the Bureau of Reclamation (p. 3299).

12. FORESTRY. The Public Lands Committee reported without amendment, H. R. 2854, to add certain public and other lands to the Shasta National Forest, Calif. (H. Rept. 1876) (p. 3299).

13. LEGISLATIVE PROGRAM. Majority Leader McCormack announced the program for this week as follows: Mon. and Tues., a bill to establish an office of Under Secretary of Labor and three assistants, and the revised Cooley farm-credit bill; Wed. and Thurs., the State, Justice, and Commerce appropriation bill; Fri. and Sat., a bill to extend the Selective Service Act; and if it can be worked in during the week, the Philippine rehabilitation bill (pp. 3284-5).

14. ADJOURNED until Mon., Apr. 8 (p. 3299).

-3-
BILLS INTRODUCED

APRIL 5, 1946.

15. FOOD INVESTIGATION. S. Res. 250, by Sen. Thomas, Okla., to authorize an additional \$5,000 for the Agriculture and Forestry Committee to investigate food production and consumption. To Audit and Control of Contingent Expenses Committee. (pp. 3222-3). Remarks of author (pp. 3222-3).
16. SURPLUS PROPERTY. S. 2030, by Sen. Butler, Nebr., to amend the Surplus Property Act, 1944, so as to provide for the return of surplus motor vehicles to the U. S. for the purpose of resale. To Military Affairs Committee. (p. 3223).
H. R. 6021, by Rep. Canfield, N. J., H. R. 6025, by Rep. Price, Ill., and H. R. 6027, by Rep. Talle, Iowa, to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act, 1944. To Expenditures in Executive Departments Committee. (p. 3299).
17. PUBLIC LANDS. S. 2032, by Sen. Hurdock, Utah, to provide for the establishment of a reservoir on Bear River, Utah, for the maintenance of water levels in the Bear River Migratory Bird Refuge. To Public Lands and Surveys Committee. (p. 3223).
18. CONGRESSIONAL REORGANIZATION. S. Res. 249, by Sen. LaFollette, Wis., for himself and Sens. Thomas, Utah, Pepper, Fla., Russell, Ga., White, Maine, and Brooks, Ill., to provide for a special committee composed of six Senators who are members of the Joint Committee on the Organization of Congress to receive and consider all proposed legislation and other matters relating to the reorganization of the legislative branch of the Government. (p. 3223.)
19. PUBLIC LANDS. H. R. 6017, by Rep. Barrett, Wyo., granting to the State of Wyo. certain public lands in such State for the use and benefit of the University of Wyo. To Public Lands Committee. (p. 3299.) Remarks of author (p. A2048-9).
20. WATER POLLUTION. H. R. 6024, by Rep. Mansfield, Tex., relating to the prevention and control of water pollution. To Rivers and Harbors Committee. (p. 3299.)
21. POSTAL SERVICE. H. R. 6028, by Rep. Boren, Okla., to authorize the establishment of air-mail service for mail matter other than that of the first class and the fixing of rates of postage, limit of weight, size, and other conditions applicable thereto. To Post Office and Post Roads Committee. (p. 3299.)
22. GRAIN. H. J. Res. 337, by Rep. Smith, Va., to prohibit the use of grain during the shortage of supply for the manufacture of alcoholic beverages. To Agriculture Committee. (p. 3299.)
23. COTTON-MARKETING QUOTAS. H. J. Res. 336, relating to cotton-marketing quotas under the AAAct of 1938. To Agriculture Committee. (p. 3299.)

APRIL 6, 1946.

24. WOOL. S. 2033, by Sen. O'Mahoney, Wyo., to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937, by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary to fix wool standards. To Special Committee to Investigate Production, Transportation, and Marketing of Wool. (pp. 3302-3) Remarks of author (pp. 3302-3).
25. RECLAMATION. S. 2034, by Sen. McFarland, Ariz., to amend the laws authorizing the performance of necessary protection work between the Yuma project and the Boulder Dam by the Bureau of Reclamation. To Irrigation & Reclamation Com. (p. 3302).

26. PRICE CONTROL; SUBSIDIES. S. 2028, (see Digest 60) extends until June 30, 1947 the Emergency Price Control and Stabilization Acts of 1942, and authorizes CCC subsidies for the fiscal year 1947: non crop programs, including the feed-wheat program \$50,000,000, 1946 crop program operations \$160,000,000, and dairy production payment program \$515,000,000; and RFC subsidies: rubber produced in Latin America and Africa \$31,000,000, meat \$715,000,000, flour \$260,000,000, and other domestic and imported materials or commodities \$170,000,000.

ITEMS IN APPENDIX

April 5

27. PERSONNEL. Speech in the House by Rep. Dirksen, Ill., discussing reductions in the Federal payroll under H. R. 5939 (p. A2046).
Extension of remarks of Rep. Robsion, Ky., pointing out the three proposals before the House for consideration on H. R. 5939, the Federal Pay Act (p. A2065).
28. TRANSPORTATION. Speech in the House by Rep. Rankin, Miss., favoring the development of the Tennessee-Tombigbee inland waterway on the Mississippi River (pp. A2046-7).
29. INFLATION. Rep. Rich, Pa., inserted Dr. Dan W. Gilbert's National Republic article criticizing "Bureaucratic control" as a promoter of inflation (pp. A2052-3).
30. PRICE CONTROL. Sen. Brooks, Ill., inserted a series of Chicago Herald-American editorials criticizing Chester Bowles' stabilization policies (pp. A2053-4).
31. FOREIGN RELIEF. Rep. Douglas, Ill., inserted Pope Pius' broadcast on ways to avert widespread famine (pp. A2059-60).
Rep. Wasielewski, Wis., inserted a Milwaukee Journal editorial discussing the food situation in Poland (p. A2062).
32. GRAIN. Extension of remarks of Rep. Fuller, N.Y., explaining his bill H.R. 589 to prohibit the exportation of grain to nations manufacturing alcoholic beverages from agricultural products (p. A2066).
33. SURPLUS PROPERTY. Extension of remarks of Rep. Springer, Ind., criticizing the disposition of surplus property to veterans and including a Washington Post article on the subject (pp. A2066-7).

April 6

34. PRICE CONTROL. Sen. Bridges N.H., inserted a New York Times' editorial outlining amendments to the Price Control Act that Congress should consider (p. A2071).
Sen. Brooks, Ill., inserted a series of Chicago Herald-American editorial criticizing Chester Bowles' stabilization administration and policies (pp. A2071-2).
Sen. Bilbo, Miss., inserted Mr. Thurman Sensing's (Southern States Industrial Council) article opposing the continuance of QPA (pp. A2072-3).
35. HOUSING. Rep. Patman, Tex., inserted a New York Herald Tribune editorial urging passage of housing legislation with subsidy and price ceiling provisions (p. A2073).

COMMITTEE-HEARINGS ANNOUNCEMENTS for Apr. 8: S. Military Affairs, draft extension; S. Interstate Commerce, Bulwinkle transportation bill; S. Public Buildings, FWA building authority; S. Appropriations, second deficiency bill (ex.); S. Atomic Energy; H. Agriculture, cotton; H. Flood Control, flood control bill; H. Ways and Means, social security; H. Irrigation and Reclamation, sale of electric power.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

Vol. 92

WASHINGTON, FRIDAY, APRIL 5, 1946

No. 61

Senate

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, our spirits are restless until they find the rest of Thy presence; our hearts are empty and our lives barren until Thou dost possess our very souls. Apart from Thee, these feverish days are but tangled tragedy, sound and fury signifying nothing, devoid of meaning, dignity, and beauty; in Thy radiance trivial rounds become sacraments; common days are glorified; bitterness, disappointment, and failure transfigured and redeemed.

This day consecrate with Thy presence the way our feet may go and the humblest work will shine and the rough places be made plain. Suffer not any one of us to bruise the rightful self-respect of any child of Thine, our brother, by malice or contempt. So help us to walk while it is yet day, following the wounded footprints of Him who with the fewest hours finished the divinest work. We ask it in His blessed name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 4, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, with amendments in which it requested the concurrence of the Senate.

LEAVE OF ABSENCE

Mr. BUTLER. Mr. President, I ask unanimous consent of the Senate to be

absent for a few days beginning the first of next week.

The PRESIDENT pro tempore. Without objection, leave is granted.

CORRECTION OF THE RECORD

Mr. DONNELL. I desire to call attention to corrections which should be made in yesterday's CONGRESSIONAL RECORD. On page 3175, in the first column, the fourth full paragraph, I am quoted as saying:

Mr. President, the second fact to which I have referred follows not because farm labor is covered in the bill, but because it is excluded.

I am quite certain, Mr. President, that I did not say "but because." I cannot quote with accuracy the exact language I used, but the meaning of the language which I did use was this, and the RECORD, I think, should be corrected to this extent. The sentence should read:

Mr. President, the second fact to which I have referred follows not because farm labor is covered in the bill, for in fact it is excluded.

Mr. President, farther down on the same page, in the sixth paragraph, I am quoted as saying:

Mr. President, as I see the situation with respect to an increase in the price of commodities which the farmer produces—

The word "produces" should be "consumes." I ask that the corrections, to accord with my statement to the Senate, may be made.

The PRESIDING OFFICER. The corrections will be made in the permanent RECORD, as requested by the Senator.

CALL OF THE HOUSE

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Brooks	Connally
Austin	Buck	Cordon
Ball	Bushfield	Donnell
Bankhead	Butler	Downey
Barkley	Byrd	Eastland
Billbo	Capehart	Ellender
Brewster	Capper	Ferguson
Briggs	Carville	Fulbright

Gerry	McMahon	Smith
Gossett	Magnuson	Stanfill
Green	Maybank	Stewart
Guffey	Mead	Taylor
Gurney	Millikin	Thomas, Okla.
Hart	Mitchell	Thomas, Utah
Hatch	Moore	Tobey
Hayden	Morse	Tunnell
Hickenlooper	Murdock	Vandenberg
Hoey	Murray	Walsh
Johnson, Colo.	Myers	Wheeler
Johnston, S. C.	O'Daniel	Wherry
Knowland	O'Mahoney	White
La Follette	Overton	Wiley
Langer	Reed	Willis
Lucas	Revercomb	Wilson
McClellan	Russell	Young
McFarland	Saltonstall	
McKellar	Shipstead	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BARKLEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

The Senator from Maryland [Mr. RADCLIFFE] is unavoidably detained on official business at one of the Government departments.

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Ohio [Mr. TAFT] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.

FOREIGN DECORATIONS, ETC., HELD BY STATE DEPARTMENT FOR CERTAIN RETIRED OFFICERS AND OTHERS

The PRESIDENT pro tempore laid before the Senate the following message

from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on Foreign Relations:

(For President's message, see today's proceedings of the House of Representatives on p. 3296.)

REPORT OF CIVIL SERVICE COMMISSION

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Civil Service.

(For President's message, see today's proceedings of the House of Representatives on p. 3296.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 4, 1946, he presented to the President of the United States the following enrolled bills:

S. 286. An act for the relief of James F. Desmond;

S. 976. An act for the relief of the estate of Howard Francis Waldron;

S. 983. An act for the relief of A. F. Crawford;

S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant;

S. 1319. An act for the relief of Mrs. Alice Condon;

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.;

S. 1504. An act for the relief of Edith Roberta Moore;

S. 1609. An act for the relief of Catherin Gilbert;

S. 1622. An act for the relief of Gordon Cole Hart;

S. 1627. An act for the relief of Mrs. Isabel N. Miffin; and

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF COMMERCE (S. Doc. No. 165)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Commerce for the fiscal year 1946 totaling \$2,550,000, in the form of amendments to House Document No. 450, Seventy-ninth Congress, and for the fiscal year 1947 totaling \$7,950,000, in the form of amendments to the Budget for that year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. Doc. No. 166)

A communication from the President of the United States, transmitting supplemental estimates of appropriation, District of Columbia, amounting to \$575,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF NATIONAL PARK TRUST FUND BOARD

A communication from the secretary of the National Park Trust Fund Board, transmitting, pursuant to law, a report of that Board for the fiscal year 1945 (with an accompanying report); to the Committee on Public Lands and Surveys.

DECEMBER 1945 REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for

the month of December 1945 (with an accompanying report); to the Committee on Banking and Currency.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a letter in the nature of a petition from Kong Mo-Arm, chairman, committee on immigration, Chinese Consolidated Benevolent Association, New York City, N. Y., praying for the enactment of legislation providing for the admission into the United States of alien Chinese wives of American citizens, which was referred to the Committee on Immigration.

EXTENSION OF DRAFT LAW—MEMORIAL

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a memorial signed by members of the faculty of Friends University, Wichita, Kans., expressing their opposition to the extension of the present draft law.

There being no objection, the memorial was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

FRIENDS UNIVERSITY,
Wichita, Kans., April 2, 1946.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: The destiny of the world hangs in the balance and every decision of these days either inspires confidence in our ability to settle differences by law and the appeal to reason or it adds to existing suspicions of others and moves us steadily toward another world war.

America's position and tradition mark her as the world's leader in this crisis and, therefore, we the undersigned members of the faculty of Friends University urge you to support every issue that would contribute to a policy of firmness, frankness, and friendliness; to vote against an extension of the present draft law; support the United Nations Organization, and work toward world disarmament and civilian control of atomic energy.

Gerald H. Wood, Juliet Reeve, Harold Kolling, W. A. Young, Irwin T. Shultz, Iva V. Pickering, John R. Crist, P. D. Shultz, J. S. Jones, Elsa M. Henry, Stella Yates, H. E. Crow, Isabel Crabb, Margaret Joy, Lowell E. Roberts, Harold C. Johnson, Lucille Shanklin.

AMENDMENT OF NATIONAL HOUSING ACT—REPORT OF A COMMITTEE

Mr. BARKLEY. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably with amendments the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of specu-

lation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, and I submit a report (No. 1130) thereon. I wish to advise the Senate that it is my purpose to attempt to bring this matter up on Monday for consideration and to keep it before the Senate until it shall be acted on.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

INVESTIGATION OF MATTERS RELATING TO FOOD PRODUCTION AND CONSUMPTION—LIMIT OF EXPENDITURES

Mr. THOMAS of Oklahoma. Mr. President, from the Committee on Agriculture and Forestry, I ask unanimous consent to report a resolution. The resolution asks for \$5,000 additional to be granted to the Committee on Agriculture and Forestry for the purpose of holding additional hearings under Senate Resolution 92, to investigate certain matters relating to food production and consumption. I ask that the resolution be referred directly to the Committee To Audit and Control the Contingent Expenses of the Senate.

The PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Mr. President, I reserve the right to object, but I do not know that I shall do so. I do know, however, that there is a growing opposition and a very substantial opposition at this time to the appropriation of money for investigations by various and sundry Senate committees and special committees of the Senate. Is there any special urgency which requires immediate consideration of the resolution or its immediate reference to the Committee To Audit and Control the Contingent Expenses of the Senate?

Mr. THOMAS of Oklahoma. I am not asking for immediate consideration of the resolution. I am asking that the resolution be referred to the Committee To Audit and Control the Contingent Expenses of the Senate, because my committee reported the resolution unanimously. Before we can get the money required the resolution must go to the Committee To Audit and Control the Contingent Expenses of the Senate, and we have to wait for its consideration of it before we can act in our committee.

Mr. WHITE. Mr. President, I understand that. I merely asked if there was any urgent reason for short cutting anywhere.

Mr. THOMAS of Oklahoma. Yes, there is, Mr. President. Let me explain the situation if I may. The Senate last May, about a year ago, adopted the original resolution. The Committee on Agriculture and Forestry proceeded to act under the resolution and made an investigation of food matters. The committee had held hearings for over a year. The \$5,000 provided in the original resolution is practically exhausted. It seems that now there is additional demand for information respecting meat, and I want to place before the Senate one or two charges which have been presented to the committee.

The OPA, typical of all bureaucracy, is antagonistic to the profit system which has made the United States the world's most productive and powerful nation and which has brought its people the highest standard of living the world has ever known. The OPA is not working in behalf of the masses of the people of this country when it kills that incentive through which alone can be created jobs which the people can fill and produce goods which they can use. Turn in any direction you wish and you find that goods are not being produced because restrictions set up by the OPA make it unprofitable to produce them.

Only two items, both basic necessities, might be made exceptions to the relinquishment of price control—and that only because they cannot be put into immediate production. One is sugar, which must of necessity await another crop, and the other is rents, because housing also requires a reasonable time to provide.

The removal of price control would, of course, bring a shock to the economic body of America—but it would bring back full production, without which our economic recovery from the effects of the war is impossible, and which the continuation of OPA control will interminably delay. Moreover, it would bring an end to the black market—that inevitable consequence of unwise legislation which causes evasion of the law and favors the few over the many.

However desirable it might be, we need not think we can escape the consequences of war. Even though we won the war, we lost our wealth in winning it, and we must get hard at work to regain this wealth with the least possible delay. How much better to undergo a severe shock by releasing price control immediately and bringing about reconversion quickly than by releasing these controls gradually and having reconversion delayed or made forever impossible. In other words, is it not better to cut off the dog's tail with one swift stroke rather than just a little bit at a time so it won't hurt him so much?

The American economic system has been built upon allowing full incentive to the American people to work and produce, with each individual having the full knowledge and assurance that he will profit in accordance with his own individual efforts and his own individual production. Kill that incentive, as the OPA is doing, and reconversion of the American economy from the effects of the war is impossible.

The trouble with all of us is that we have had our goods rationed and our prices regulated and our lives ordered for us so long by the bureaucratic system set up during the war that we are afraid to strike out again for ourselves. It is only natural that this should be true of the public at large, for it is human nature at work—such a system destroys self-confidence—but the strong hold it has upon us is emphasized by the fact that we find the same apprehension among many businessmen who actually know better, and we find the same fear among our legislators, many of whom honestly feel we should get from under this regimentation but are afraid of the consequences. The OPA, of course, is playing upon these fears to the fullest in order to maintain its hold upon the economy of the people.

Then, too, there are certain powerful forces within this Nation that would like for it to be impossible for America to reconvert through its traditional system of individual freedom and private enterprise. They want the traditional American way of doing things to fail so that the only recourse will be for the Government to take over. Whether that government is communism, or socialism, or fascism, perhaps these forces do not particularly care. They just do not believe in American constitutional democracy.

Such forces are not working in the interest of the masses of the people, and it is

not to be believed that any large part of the American people agree with them. Once the people are aware of the dangers which encroach upon them, it is to be believed they will rise in united action and righteous strength as they have done throughout the history of this country and demand those things of their Government which will preserve for them the rights upon which this Nation has grown and prospered.

There is more to the agitation for the continuation of OPA price control than meets the eye. It is time the people of this country give serious thought to this matter and then, having done so, let their position be known in no uncertain terms.

Newspaper Urges Swift Passage of Housing Legislation—Says Housing Regulations May Create Hardship Without Bill To Spur Production

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1946

Mr. PATMAN. Mr. Speaker, since the announcement of the Civilian Production Administration order virtually halting nonessential building, many responsible leaders over the country are expressing the fear that this order may create unnecessary hardship unless the legislation needed to spur production is promptly passed by the Congress. The New York Herald Tribune, one of the leading newspapers on the east coast, recently published an editorial pointing out that the public is behind the President's program for housing, and urging the Congress to make all haste in enacting the legislative half of the complete plan to bring housing to our veterans.

Under permission to extend my remarks in the CONGRESSIONAL RECORD, I should like to include that editorial:

HURDLES FOR THE HOUSING PROGRAM

A Senate Banking subcommittee has restored to the veterans' emergency housing bill the subsidies and the price ceilings on existing homes rejected by the House—provisions which Wilson W. Wyatt, Housing Expediter, says are the heart of the program to build 2,700,000 dwelling units by the end of 1947. There are still many hurdles to be taken before that program can go full speed ahead: approval of this bill by the full committee, passage by the Senate, and, finally, as Senator BARKLEY remarked, "selling" the restored provisions to the House.

In the meantime the Civilian Production Administration, answering fears and queries about the effect of Order No. 1 on nonessential construction, issued an interpretation of its strictures. The CPA release explains how citizens' district construction committees will advise on what building is essential or nondeferable. These committees will represent local government and business, builders and suppliers, the press, etc. They it is who "will screen each project in the light of the peculiarities of the local situation," as Civilian Production Administrator John D. Small has pointed out. In regard to buildings necessary for community life—the badly needed hospital or other public institution—the CPA explanation says that the district committee "can be expected to act in accordance with that need." It also says that the

committees "may be expected to take a sympathetic attitude" toward work using materials not critically short for housing. Steel comes to mind. Since not much steel will be required for any but large urban housing developments, presumably we may expect sympathetic consideration for steel construction in areas where it would have no adverse effect upon building or labor supplies for housing. Consideration will be given, the CPA says, to new community needs and to individual hardship cases.

But though local citizens' committees may give to order No. 1 a flexibility too often absent from bureaucratic decisions, not even its sponsors deny that it will cause hardship. And though they deprecate fears that it may have a serious adverse effect on the general economy, nevertheless the public is required to defer already long-deferred building plans. In view of the far-reaching strictures order No. 1 invokes, Congress must, it seems to us, make all haste in enacting the full program to speed production of housing materials and insure decent and modest-priced homes for veterans. We believe that the public is behind that program, and the greater the speed of production, the sooner restrictions on other construction can be lifted.

A Banker's Warning—Pearls From the Congressional Mail

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1946

Mr. WHITE. Mr. Speaker, there recently came to the congressional desk an analysis of present-day financial trends by Vice President Riddle, of the Bankers Trust Co., made available through the courtesy of the Economist National Committee for Monetary Policy—an analysis that I have taken the liberty of rearranging and condensing in the interest of brevity and clarity.

Continuously declining interest rates and rising bond prices cannot be ignored by the monetary authorities or by the banking community. The possible long-run consequences on our financial structure and on the general economy should be weighed with great care. It has never been possible to inflate commodity prices, stock prices, or real-estate prices indefinitely, because sooner or later economic forces have called a turn. How far can we inflate bond prices without having these economic forces call the turn? Holding down debt costs is a commendable objective, but when excessive zeal in this direction causes further needless expansion of bank credit and accelerates existing inflationary influences, it is false economy and will ultimately defeat its own ends.

While no comprehensive statement of debt management policy has been announced by the Treasury, it has become more and more apparent that the dominant objective is to keep interest costs at a minimum. In fact, that one objective seems to overshadow completely all other considerations, even the desirability of checking a further rise in our money supply. The Treasury continues to issue large amounts of short-term se-

curities and, with the apparently reluctant acquiescence of the Federal Reserve System, to hold down short-term interest rates. It is generally rumored that the current policy of converting all maturing obligations into seven-eighths percent certificates of indebtedness will be followed for the next several years. Instead of refunding the short debt into longer maturities, according to traditional concepts of sound debt management, the present policy is headed in opposite direction, that is, toward the gradual conversion of the debt into short maturities.

Bill rates continue to be pegged by the Federal Reserve at three-eighths percent and certificates rates are held down by the Federal, partly by the preferential discount rate of one-half percent and partly through open-market operations. The Federal Reserve banks, in accordance with Treasury wishes, stand ready to support the market by taking from member banks any amount of short-term issues, thereby supplying the necessary Federal Reserve credit to support debt operations. This, in effect, guarantees a market for short-term securities regardless of the amount issued, and the Treasury depends less and less upon the investing public to absorb the Government debt.

If the Treasury's present policies remain unchanged there is little doubt that the downward trend in interest rates will continue. The mechanism for creating credit and driving up bond prices works almost automatically. The downward influence on rates first affected the intermediate maturities, but gradually spread into the longer maturities eligible for commercial bank ownership. The yield on the longest 2-percent taxable bond outstanding, for example, has declined to 1.26 percent, and on the bank eligible 2½'s of 67-72 to 1.99 percent.

Apparently the Treasury contemplates the continued domination of monetary policies for purely fiscal purposes. So long as this situation prevails, the Federal Reserve System is not free to direct monetary policies toward the traditional objectives of trying to prevent inflation and unsound credit developments. A continuation of present policies will lead to increasing reliance on the banking system to support the debt structure. Instead of encouraging the distribution to the public of the excessive amount of debt held by banks, such policies may cause a growing proportion of the debt to be concentrated in the commercial banks, thereby further increasing the country's already inflated money supply. This additional Federal Reserve credit spreads out over the system as member bank reserves and provides for multiple expansion of member bank credit.

Furthermore, when the banking system supplies the Treasury with unlimited funds at excessively low rates, the Government is relieved from all normal restraints on spending, and its resistance to pressure groups is weakened. With none of the usual tests of the market applied to its financing, the Government finds it hard to resist the easy course of borrowing and spending. Pleas for balance-

ing the Budget and following a sound fiscal course are easily brushed aside.

The easy money advocates give no recognition to the importance of the saver and investor, nor any consideration to the possible long-run consequences of penalizing the thrifty at a time when we are faced with a demand for goods unrivaled in our history and when liquid assets are more than sufficient to support this demand.

It is somewhat disquieting to find the Government so economical and even niggardly in paying interest to those who have saved and furnished the funds for financing the war, and at the same time so generous in its other expenditures.

While there is general recognition of certain benefits from low interest rates, there is a growing conviction among objective students of monetary matters that the doctrine of easy money is being overstressed and its benefits greatly exaggerated. Treasury officials whose policies continue to drive interest rates lower and lower reiterate the benefits of low interest rates but appear to give no consideration to the adverse side of the question. It does not take a prophet to foresee what will happen to them in the next financial crisis or business depression, or what the effects on the banking system will be. Furthermore, any debt management policy based upon the assumption that we will never again go through a financial crisis or depression is short-sighted indeed.

LAWS RELATIVE TO THE PRINTING OF DOCUMENTS

Either House may order the printing of a document not already provided for by law, but only when the same shall be accompanied by an estimate from the Public Printer as to the probable cost thereof. Any executive department, bureau, board, or independent office of the Government submitting reports or documents in response to inquiries from Congress shall submit therewith an estimate of the probable cost of printing the usual number. Nothing in this section relating to estimates shall apply to reports or documents not exceeding 50 pages (U. S. Code, title 44, sec. 140, p. 1938).

Printing and binding for Congress, when recommended to be done by the Committee on Printing of either House, shall be so recommended in a report containing an approximate estimate of the cost thereof, together with a statement from the Public Printer of estimated approximate cost of work previously ordered by Congress within the fiscal year (U. S. Code, title 44, sec. 145, p. 1938).

Resolutions for printing extra copies, when presented to either House, shall be referred immediately to the Committee on Printing, who, in making their report, shall give the probable cost of the proposed printing upon the estimate of the Public Printer, and no extra copies shall be printed before such committee has reported (U. S. Code, title 44, sec. 133, p. 1937).

DISTRIBUTION OF THE CONGRESSIONAL RECORD

To the Vice President and each Senator, 100 copies; to the Secretary and Sergeant at Arms of the Senate, each, 25 copies; to the Secretary, for official use, not to exceed 35 copies; to the Sergeant at Arms, for use on the floor of the Senate, not to exceed 50 copies; to each Representative, Delegate, and

Resident Commissioner in Congress, 68 copies; to the Clerk, Sergeant at Arms, and Doorkeeper of the House of Representatives, each, 25 copies; to the Clerk, for official use, not to exceed 50 copies; and to the Doorkeeper, for use on the floor of the House of Representatives, not to exceed 75 copies; to the Vice President and each Senator, Representative, Delegate, and Resident Commissioner in Congress there shall also be furnished (and shall not be transferable), 3 copies of the daily Record, of which 1 shall be delivered at his residence, 1 at his office, and 1 at the Capitol.

GOVERNMENT PUBLICATIONS FOR SALE

Additional copies of Government publications are offered for sale to the public by the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at cost thereof as determined by the Public Printer plus 50 percent: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized book dealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by book dealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government (U. S. Code, title 44, sec. 72a, Supp. 2).

RECORD OFFICE AT THE CAPITOL

An office for the CONGRESSIONAL RECORD is located in Statuary Hall, House wing, where Mr. Ralph L. Harris is in attendance during the sessions of Congress to receive orders for subscriptions to the Record at \$1.50 per month, and where single copies may also be purchased. Orders are also accepted for the printing of speeches in pamphlet form.

CONGRESSIONAL DIRECTORY

The Public Printer, under the direction of the Joint Committee on Printing, may print for sale, at a price sufficient to reimburse the expense of such printing, the current Congressional Directory. The money derived from such sales shall be paid into the Treasury and accounted for in his annual report to Congress, and no sale shall be made on credit (U. S. Code, title 44, sec. 150, p. 1939).

PRICE OF THE CONGRESSIONAL RECORD

The Public Printer is authorized to furnish to subscribers the daily Record at \$1.50 per month, payable in advance.

Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington 25, D. C.

PRINTING OF CONGRESSIONAL RECORD EXTRACTS

It shall be lawful for the Public Printer to print and deliver, upon the order of any Senator, Representative, or Delegate, extracts from the CONGRESSIONAL RECORD, the person ordering the same paying the cost thereof (U. S. Code, title 44, sec. 185, p. 1942).

PRINTING DOCUMENTS AND REPORTS

Documents and reports of committees with the evidence and papers submitted therewith, or any part thereof ordered printed by Congress, may be reprinted by the Public Printer on order of any Member of Congress or Delegate, on prepayment of the cost thereof (U. S. Code, title 44, sec. 162, p. 1940).

VETERANS' EMERGENCY HOUSING ACT OF 1946

APRIL 5 (legislative day, MARCH 5), 1946.—Ordered to be printed

MR. BARKLEY, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 4761]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The bill provides for the minimum indispensable first things which must be done to solve the critical problem of housing for veterans of World War II. These indispensable first things to be done consist primarily in expediting the production of building materials and of completed houses, both now suffering from a low rate of productivity as an aftermath of the war. This expedition is the first task. The committee believes that, without this bill as amended, this task of expediting cannot be attacked realistically.

The committee feels bound in all fairness to state at the outset that this bill will not by itself solve the whole problem of housing for veterans of World War II. The committee believes that additional legislation will be concurrently necessary to make it feasible that, when house production is expedited, the increased product is trained specifically upon the needs of the vast majority of veterans who are in the moderate income groups or who are of low income. This bill alone cannot do that. The additional legislation for that purpose (S. 1592) is being reported unanimously to the Senate by the committee. Speedy passage of both measures is equally essential to meet the veterans' housing needs.

THE SHORTAGE OF HOUSING FOR VETERANS

It is estimated officially that 4,132,000 additional dwelling units are required between January 1, 1946, and December 1, 1947, that 1,055,000 of these dwellings can be supplied through existing vacancies and new vacancies; and that 3,077,000 dwelling units of new construction are needed during the same 2-year period. Assuming that the veterans' emergency housing program, calling for 2,700,000 new dwelling units to be started during this 2-year period is carried out in full—and this could not even nearly be accomplished without the provisions of this bill—the result would be about 2,319,000 completions of new houses by the end of 1947. Even this unparalleled volume of house construction would still require a doubling-up in 758,000 dwelling units at the end of 1947. To this must be added a doubling-up in about 1,200,000 dwelling units at the beginning of 1946 (for which the veterans' program makes no provision), coming to an aggregate doubling-up in 1,958,000 dwelling units at the end of 1947. Since each case of doubling-up means 2 families in 1 house, there will be almost 4,000,000 families living under conditions of doubling-up at the end of 1947, even with the veterans' emergency housing program carried forward in full. And by far the majority of these doubled-up families will be veterans' families.

These statistics state succinctly the critical nature of the housing shortage; which is a matter of common observation even without statistics to support it.

If the current rate of house construction is not vastly accelerated, the situation will rapidly become worse, and long before the end of next year will become completely intolerable for the families of veterans in need of homes.

THE MAGNITUDE OF THE REQUIRED EXPANSION

The following facts indicate the extraordinary expansion in production which must take place to fulfill the veterans' emergency housing program:

(1) More houses must be commenced in 1946 than in 1925—the all-time peak year—and 50 percent more houses must be started in 1947 than in 1925. More than four times as many houses must be started in 1946 as in 1945, and almost six-and-a-half times as many houses must be started in 1947 as in 1945.

(2) The total volume of construction, including other essential construction as well as veterans' housing, must increase at unprecedented rates of growth during 1946 and 1947. Looking back over a period of 25 years, the greatest rate of growth from any one year to the next succeeding year was 42.6 percent. We now need to expand total construction for 1946 by 87.2 percent over 1945; for 1947 we must expand it by 51.6 percent over 1946.

(3) Tremendous increases are required in the production of specific types of materials that are essential to housing. To cite a few examples: We shall need more lumber in 1947 than was made available in the peak year 1942. We shall need almost twice as much softwood plywood in 1946 as was made available in 1945 and almost twice as much in 1947 as was made available in the peak year 1942. For

common and face brick, we shall need to accelerate the 1945 rate of production by two-and-a-half to three times for 1946 and for 1947. For clay sewer pipe, we must almost double the 1945 amount in 1946. For cast-iron radiation, we must quadruple the 1945 rate of production. For gypsum board and lath, we must, in 1946, almost double the 1945 production. For most of these commodities, we must in 1947 produce more than was produced in their respect peak years in the past.

This production and flow of materials, at this extraordinarily accelerated rate, is at the core of the veterans' housing program. The two main methods for attaining this acceleration of production are contained in the bill. They are (1) premium payments and (2) guaranty of markets.

PREMIUM PAYMENTS

Premium payments are not untested by experience. During the war they were used successfully to speed up production, at relatively slight cost for the certain results obtained. Of this, the copper subsidy affords a good example. The essential merit of the premium payment is that it is a specific reward for additional production and is not made available except insofar as the desired result is obtained. It pays only for accomplishment.

The premium payment does not imply that general price increases will not in some circumstances be necessary; on the contrary, there are cases where general price increases will be necessary. In these cases, price adjustments will be vigorously pursued. The premium payment, however, is intended as a device to be used selectively in those cases where it will best accomplish the result of additional production, generally through covering the higher per unit costs involved in speeding up production with abnormal rapidity to meet an abnormal situation.

As thus selectively used, premium payments in the considered judgment of the committee offer the following prime advantages:

(1) Premium payments place upon the country as a whole the additional costs involved in the abnormal, but now necessary, speeding up of production, rather than placing these additional costs exclusively upon the veterans when they buy or rent housing. There can be no question of the justice of the proposition that the veterans, who are the chief victims of the housing shortage because of their services to their country, should not be charged exclusively with the advanced costs necessary to relieve that shortage with maximum speed.

(2) Premium payments, where used for their proper purpose of covering the temporarily higher cost of additional production beyond the normal rate, are more economical than general price increases directed toward the same end. The reason for this is that such price increases would need to be applied, not only to the additional units of production but rather to all units of production where the speed-up is required. It was demonstrated to the committee by a valid process that premium payment costs of about \$600,000,000 would accomplish a stimulation of production which would require more than four times as great a cost, or more than \$2,000,000,000 more in actual amounts, to make a reasonable effort to attain comparable results through over-all price increases.

(3) Premium payments are the most certain method of achieving the desired production increases, because they are a direct quid pro quo. At all stages, the incentive can be measured against the result and can be withdrawn where it does not produce the result.

(4) Premium payments can with relative ease be abandoned when no longer needed. Further, it is reasonably anticipated that, at the end of the veterans' emergency program, premium payments would no longer be needed, for by that time the excess cost resulting from an abnormal rate of expansion would no longer exist.

STANDARDS IN CONNECTION WITH PREMIUM PAYMENTS

The committee has felt it imperative that the bill contain standards, both quantitative and qualitative, as to the usages to which premium payments shall be put. The committee would not have been prepared to approve or to support the vague and general provisions for premium payments which were disposed of unfavorably in the House of Representatives. Correspondingly, the committee feels that the careful premium payment standards which it has labored to insert in the bill profoundly distinguish the current proposal from that which was rejected in the House of Representatives. The committee feels that these standards provide a sound basis for the approval of premium payments by both branches of the Congress.

These carefully worked out premium payment standards are in summary as follows:

(1) Premium payments shall be used only temporarily, with relation to additional units of production beyond that otherwise obtainable, where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

(2) Premium payments shall be used only in connection with 30 percent of the value at the producers' level of all materials needed for the veterans' emergency housing program and for other essential construction. And even where used, the average rate of premium payments shall not exceed 25 percent of the value of the units of production to which they are applied. As an additional safeguard, no new producer of conventional materials shall have premium payments applied to more than 50 percent of his output. This is intended to avoid any possibility of fostering inefficiency or stimulating undesirable competition with existing business.

(3) Premium payments shall, wherever feasible, be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer. This standard is designed to avoid excessive governmental processing in connection with each individual business and to encourage a broad, workable set of rules with maximum flexibility and minimum red tape.

(4) Premium payments shall include adequate safeguards against avoidable economic dislocations or adverse effects upon established business.

(5) New type materials to which premium payments are applied shall be tested for sound quality.

AMOUNTS REQUIRED FOR PREMIUM PAYMENTS

The bill carries an authorization of \$600,000,000 for premium payments. This requires no appropriation, the Reconstruction Finance Corporation having adequate resources in hand. This amount represents careful estimates, which in fact showed a need somewhat in excess of \$600,000,000.

The committee carefully considered a proposal to reduce the amount initially made available to \$300,000,000. This proposal was founded on the idea that the Congress could review the program in early 1947 and then make additional amounts available for that year.

A majority of the members of the committee rejected this proposal to cut the authorization in half for the following reason: If only the amount actually contemplated to be paid out in 1946 were made available, the Housing Expediter would be constrained to use only one-half this amount during 1946, or, in the alternative, if the Expediter used this entire amount in 1946 he would run the risk that the program might be interrupted entirely at the beginning of 1947. The practical consequence would be to make the program during 1946 only one-half of what it ought to be, or to reduce the 2-year program for veterans' emergency housing to a 1-year program. Either of these alternatives is highly undesirable. The veterans' emergency housing program cannot possibly be attained in only 1 year or by a program of only one-half the size of that proposed. Therefore, a majority of the members of the committee believes it essential that the recommended amount of \$600,000,000 be approved now.

GUARANTY OF MARKETS

The second mainspring of the effort to expedite the production of materials and houses is the guaranty proposal contained in the bill. Under this proposal, the Housing Expediter would stimulate the production of new-type materials and prefabricated houses by entering contracts to purchase such of these products as their manufacturers might not be able to dispose of readily.

The committee has been conservative in delimiting the over-all size of the guaranty undertaking. The bill provides that outstanding guaranties at any one time shall not cover more than 200,000 prefabricated houses, including those that may be held by the Government. No authorizations or appropriations are provided for these guaranty features, since the Reconstruction Finance Corporation already has the resources in hand for this purpose.

This proposal does not contemplate that the Government will actually be called upon to fulfill excessive numbers of these guaranties. On the contrary, it specifically contemplates that only those types of materials and prefabricated houses will be guaranteed which give every reasonable assurance of rapid disposability by their producers. In fact, the shortage is so great that with the exercise of reasonable care any other outcome would be unlikely.

The purpose of the guaranty is to achieve abnormally rapid expansion of production through devices fundamentally more conservative than direct Government financing, much less Government subsidy. The object of the guaranty is not to involve the Government in large risks but rather to free the individual producer (whether established or

new) from concern that he may be taking undue risks in moving forward rapidly with production on a uniquely large scale or in undertaking new, though tested, types of production.

The committee has weighed carefully and rejected two objections to the guaranty proposal. The first of these objections is that, if there is a ready market for the products contemplated, no guaranty is necessary; and that if there is substantial doubt about the market for such products, the Government is letting itself in for large losses through guaranteeing their marketability. The weight of Government experience in related fields does not sustain this objection. The Government for 12 years has been insuring mortgage risks in connection with the program of the Federal Housing Administration, and through this insurance it has induced large activities which otherwise would not have taken place. But these activities have not involved the Government in losses, because the system of insurance has been soundly administered. It is true in this connection that the Government has charged a small insurance premium. But the Government in a different way would maintain at least an equivalent margin of protection in administering the proposed guaranties, since it would undertake to take over undisposed-of materials or prefabricated houses only at a fixed price somewhat below the standard producers' delivery price. This procedure, in addition, would place an incentive upon the producer to dispose of his product through his own efforts to the maximum possible degree.

The second objection to the guaranty proposal has been the statement made by some producers of prefabricated houses that they are ready to move ahead with production without any guaranty. Of course, any producer who is ready to move ahead without a guaranty would not be required to avail himself of one. But the fact is that neither the producers of new-type materials nor of prefabricated houses have moved ahead in the past, or are moving ahead now, or show prospect of moving ahead in the near future, in anywhere near the volume required for the veterans' emergency housing program. For example, it is a matter of common knowledge that the development of prefabricated houses has been slow. About 850,000 of these houses are required for the veterans' emergency program.

The test is not whether there are established concerns which are willing and able to produce without the guaranty; the test is whether production without the guaranties will be in sufficient quantities to meet the critical and extraordinary need during the next 2 years. No one has proposed to undertake the guaranty as a permanent device. But no one has presented tangible evidence that the requirements for the veterans' program can be met without temporary use of the guaranty device.

It is this reasoning which supports the conclusion that use of the guaranty, while it involves only slight risks to the Government, offers great promise of stimulating a large volume of new type materials and prefabricated houses by a more conservative and less costly route than other available methods.

The protection of all legitimate interests in connection with the guaranty would be firmly assured through the following standards written into the bill:

(1) New type materials and prefabricated houses shall be encouraged only to supplement such expansion of conventional type

materials and houses (with access to available materials) as can be achieved with rapidity and economy.

(2) There shall be reasonable prospect that the Government will receive a full return on any funds involved in the guaranty, or that the net cost to the Government will be substantially lower than under any other available method of achieving the necessary expansion of production. The bill requires the Housing Expediter to maintain a constant review of experience, toward the end that the total net cost to the Government shall in no event exceed 5 percent of the total amount of underwriting or guaranty undertaken.

(3) There shall be clear evidence that the new type materials or prefabricated houses will require the guaranty only temporarily until they attain general market acceptability.

(4) Emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business.

(5) New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

(6) Any underwriting or guaranty shall require adequate showing by the producer that he has sufficient working capital and experience, and that he can achieve the desired production on time under conditions satisfactory to the Housing Expediter.

ALLOCATIONS AND PRIORITIES

The bill authorizes the Housing Expediter to administer a system of allocations and priorities designed to concentrate as much as feasible of the available supply of materials upon the veterans' housing program without precluding other essential construction. In this connection, the Housing Expediter is directed to place special emphasis upon the housing needs of veterans of World War II, both for purchase or rental, at prices within their means.

As a special safeguard, the committee has written a provision into the bill which will require that no housing receiving allocation or priority assistance shall be sold within 60 days after completion or rented within 30 days after completion to any person other than a veteran or his family.

PROTECTION OF OTHER ESSENTIAL CONSTRUCTION

In view of certain concern which has been expressed, the committee wishes to emphasize that the veterans' emergency housing program is not designed to paralyze or hinder other construction essential to the economic and social well-being of the Nation. According to the testimony of the Housing Expediter, if the materials production goals which he has set can be met, not only will it be feasible to accomplish the tremendous veterans' housing program but, in addition, the volume of repairs and maintenance and nonresidential essential construction will actually exceed by about \$1,000,000,000 what it would be without the veterans' program between now and the end of 1947. In short, the main purpose and effect of the veterans' program will be not to curtail other essential construction but rather to allocate the predominant part of the expansion of total construction to veterans' housing purposes. In view of the need, this is as it should be.

PRICE CEILINGS ON EXISTING HOUSES AND ON BUILDING LOTS

The committee has inserted in the bill a very moderate provision for price ceilings on existing houses and on building lots. Examination of these provisions will indicate that they are a far cry from imaginary proposals conjured up for purposes of attack.

The proposals in the bill involve no price fixing by the Government on existing houses or building lots. These proposals merely provide that the first sale after the enactment of the law shall be the maximum price in the event of subsequent resale for the period of duration of the law. The real purpose, therefore, is to prevent speculative buying and trading during the emergency period. However, the bill provides that any resale price shall include allowance for customary commissions and for substantial improvements in the property.

There are two main reasons which have motivated the committee in inserting these provisions:

(1) The present speculation and inflation in existing housing and building lots have reached alarming proportions. Reports from more than 100 cities, large and small, indicate increases in prices running up in some cases to over 100 percent within relatively short periods of time. The consequence of this speculation in existing housing is to multiply the number of evictions, so that evictions are now proceeding at the rate of more than 1,000,000 a year. Many of these evicted families involve veterans, and in addition the competition of these evicted families for other lodgings, if allowed to continue in huge volume, will critically embarrass the effective utilization of the veterans' emergency-housing program.

(2) It has seemed inequitable to the committee that price ceilings should be placed upon new housing, which thus limits the profit of those actually producing needed accommodations, while other owners of existing properties who are not producing at all are allowed to reap large speculative gains.

Impressed with the moderation of the proposals offered, the committee is fearful that if they are not adopted, much more drastic remedies will soon become imperative.

EXPANSION OF TITLE VI OF THE NATIONAL HOUSING ACT

The bill contains an adaptation of title VI of the National Housing Act, used during the war for war workers, so as to stimulate the expansion of privately financed housing with mortgage insurance under current conditions and with priority of use for veterans and their families. For this purpose, \$1,000,000,000 in insurance authorizations are provided, with another billion to be made available in the discretion of the President.

Since a main purpose of these provisions is to reduce the risks assumed by builders in order to encourage a large volume of housing, the committee calls special attention to the fact that this portion of the bill places emphasis upon rental housing. It is the specific intent of the committee that those in charge of the program shall make every reasonable effort to obtain a substantial volume of rental housing—or in any event housing held for rental during the emergency—through the operation of title VI, both with respect to multifamily units and individual units. While home ownership is to be encouraged, a large

percentage of veterans do not yet possess the certainty of income or of location, or the financial means, to purchase homes at this time. The bill as approved by the House of Representatives included this attention to rental housing.

The committee also desires to emphasize in view of the very liberal cost figures contained in this modified title VI, and in view of the declarations of intent of builders themselves, that it is more than likely that much of this housing under title VI will be priced at more than \$6,000. These facts, combined with the reality that at least half of the veterans and their families cannot afford housing in this price range either on a home-ownership or on a rental basis, make it clear that the worthy objectives of the bill will be seriously impaired unless supplemented and reinforced by other legislation designed to give better assurance that veterans of moderate income and low income will also share directly in the veterans' housing program. S. 1592, as reported by the committee, provides the wherewithal to accomplish this essential purpose. Without the bill which this report covers, there can be no large home-building program during the next 2 years. Without S.1592 as well, there can be a large home-building program, but the homes will not be primarily for veterans, because it will be primarily beyond their financial reach. That is why both bills are equally essential and equally needed now.

RESPONSIBILITY IN HOUSING EXPEDITER

The committee heartily endorses the provisions of the bill, as passed by the House of Representatives, which concentrate administrative responsibility for the veterans' emergency housing program in a single Housing Expediter. Experience at least since the beginning of the war has demonstrated conclusively that critical housing situations cannot be dealt with effectively through diffused responsibilities. Legislative recognition seems essential, not only of the desirability of a Housing Expediter but also of the desirability of enabling him—where voluntary cooperation alone is not sufficient—to issue directives to other agencies of the Government in matters relating to the successful execution of the veterans' emergency housing program.

TEMPORARY CHARACTER OF THE BILL

The committee fully recognizes that the unusual powers and provisions contained in the bill should not be of permanent duration. The emergency begets the need, and the need should disappear when the emergency is over. However, since no one gainsays that it will take 2 years to accomplish the veterans' emergency housing program, it would seem an undesirable half measure to provide that the provisions of the bill terminate on June 30, 1947. Therefore, the committee recommends strongly that the termination date be December 31, 1947, or such other date as may be determined by concurrent resolution.

The foregoing discussion covers the salient features of the bill. A more detailed summary and commentary, section by section, follows.

SUMMARY OF BILL

Title: As amended by the committee, the title states the purpose of the bill—

to expedite the availability of housing for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new and existing housing and real estate, and for other purposes.

While the bill as passed by the House of Representatives amended the National Housing Act, the committee has felt it more appropriate that the bill be cast in the form of an independent Veterans' Emergency Housing Act of 1946, since the features of the bill are temporary and bear little relationship to the National Housing Act which deals with certain permanent housing legislation.

Section 1: Paragraph (a) states the purposes of the bill, and paragraph (b) provides a termination date of December 31, 1947, or such earlier date as may be specified in a concurrent resolution. Since the veterans' emergency housing program is a 2-year program extending until the end of 1947, the committee has deemed it unwise to provide that the basic legislation relating to the program be terminated on June 30, 1947.

Section 2: Paragraphs (a) and (b) provide for appointment of a Housing Expediter, and invest in such Expediter responsibility to formulate plans and programs for increasing the supply of housing, to issue directives to other executive agencies, to recommend legislation to the President, and to consult and cooperate with public and private agencies or groups, Federal, State, or local. Even though the present Housing Expediter has been given substantially these responsibilities by Executive Order 9686 (issued under the War Mobilization and Reconversion Act, which expires on June 30, 1947, and title I of the First War Powers Act, which expires 6 months after the end of the war), the committee has deemed it desirable to establish the Housing Expediter by legislation until December 31, 1947.

Paragraph (c) directs Government agencies to exercise their emergency and other powers to aid in the solution of problems created by the existing housing emergency.

Paragraph (d) transfers to the Housing Expediter such functions of the Director of War Mobilization and Reconversion as are necessary for carrying out the Housing Expediter's responsibilities. This paragraph is inserted, although the Director of War Mobilization and Reconversion has already delegated such functions to the Housing Expediter, because the War Mobilization and Reconversion Act terminates on June 30, 1947.

Section 3: Paragraph (a) grants the Expediter power, by regulation or order, to establish maximum sales prices for housing accommodations or unimproved lands. Any such regulation or order may be limited in its scope to such unimproved lands as may be deemed necessary to effectuate the purposes of the bill. Consultation with representatives of affected industries is required.

Paragraph (b) requires that the maximum sales prices for housing accommodations, the construction of which is completed after the effective date of the bill, shall be established after taking into consideration reasonable construction costs, fair market value of the land, and improvements sold with the housing accommodations, and

a margin of profit reflecting the generally prevailing profit margin on comparable units during the calendar year 1941. If the maximum sales price has been established prior to the completion of construction, the seller may at any time before the first sale apply for such revision of the maximum sales price as may be justified by special circumstances arising during construction.

Paragraph (c) requires that any regulation or order establishing maximum sales prices for housing accommodations in existence on or prior to the effective date of the act or for unimproved lands shall establish such maximum price at the price of the first bona fide sale of such accommodations or lands after the bill becomes effective. Provisions in this paragraph and in paragraph (d) require the making of appropriate adjustments in the maximum sales prices where major improvements to any housing accommodations or betterments to unimproved lands have been made after the last sale.

Paragraphs (e) and (f) contain provisions authorizing the Expediter to act through any department, agency, or officer of the Government and to issue regulations necessary to prevent the circumvention or evasion of the purposes of the act. The bill as passed by the House contained a provision declaring that—

The Expediter shall have power to prohibit the export of any lumber or other materials to any foreign country which are needed for the housing program.

The committee omitted this provision not for the purpose of depriving the Expediter of this power but on the ground that it was unnecessary and possibly confusing in that the Expediter in effect has this power under his general power to issue directives to other governmental agencies and to allocate and establish priorities for delivery of materials.

Section 4: Paragraph (a) empowers the Housing Expediter to allocate or establish priorities for delivery of materials or facilities whenever there is a shortage of any material or facilities suitable for the construction or completion of housing in rural and urban areas, or for the construction and repair of essential farm buildings.

Paragraph (b) would permit the Housing Expediter to establish sales or rental ceilings on priority assisted housing and requires that special consideration be given to the housing needs of veterans of World War II. It also provides that the Expediter must require that no priority assisted housing shall be sold within 60 days after completion, or rented within 30 days after completion for occupancy by persons other than such veterans or their families. Also, section 215 of Public Law 49, Seventy-ninth Congress, approved May 3, 1945, is repealed. Said section 215 was enacted during the war-housing program to assure priorities to veterans without showing of hardship. Under the present bill, the program is basically for veterans and no showing of hardship is required.

Paragraph (c) provides that the grant of priority and allocation powers to the Housing Expediter shall not affect the priority and allocation powers of the President under the provisions of subsection (a) of section 2 of the Act of June 28, 1940, as amended. By a technical amendment, subsection (a) of section 2 of the act of June 28, 1940 (the War and Defense Contract Acts) was brought into the Second War Powers Act, 1942, as Title III—Priorities Powers. The Second War Powers Act, 1942, would expire on June 30, 1946.

Section 5: This section makes unlawful any sales in excess of the maximum sales price, or any violations of regulations or orders issued under the bill.

Section 6: This section grants the right of access to the district courts by persons aggrieved by any action taken under regulations or orders issued under the bill.

Section 7: Paragraph (a) grants the Housing Expediter power to apply to the appropriate court for orders enjoining acts or practices which would violate the provisions of section 5, and grants to the Housing Expediter access to the courts to enforce compliance with the provisions of that section.

Paragraph (b) provides for a fine of not more than \$5,000 or imprisonment for not more than a year, or both, for any person convicted of willfully violating any provision of section 5 or of knowingly making statements or entries in records or reports required to be kept in connection with the maximum sales-price provisions of section 3.

Paragraph (c) vests in the district courts jurisdiction of criminal proceedings for violation of the provisions of section 5 and also vests in the district courts, concurrently with State and Territorial courts, of all other proceedings under section 7.

Paragraph (d) provides that if any person selling housing accommodations violates the regulations prescribing the maximum sales price, the purchaser may bring an action for treble the amount by which the consideration exceeded the maximum sales price. The time limitation on such actions is 1 year from the date of the occurrence of the violation. If within 60 days from the date of such violation the buyer fails to bring action, the Housing Expediter is authorized to bring such action on behalf of the United States. The time limitation on any such action is likewise 1 year from the date of the violation. If any such action is brought by the Expediter, the purchaser cannot bring an action for the same violation.

Section 8: This section contains definitions.

Section 9: This section authorizes necessary appropriations and removes prior restriction against financing the administration of RFC loans to educational institutions for housing for veterans enrolled and attending such institutions.

Section 10: This section amends sections 603 and 608 of the National Housing Act.

Paragraph (a) increases the authorization to insure mortgages from \$1,800,000 to \$2,800,000 and provides for increases up to \$3,800,000 with the approval of the President. It also extends the time limit for an additional year from July 1, 1946, through June 30, 1947.

Paragraph (b) would permit the Administrator to prescribe, up to stated maximum dollar amounts, mortgage amounts higher than those presently provided for by section 603 (b) (2) of the National Housing Act if he finds that at any time or in any geographical area it is not feasible, within the present limitations on the mortgage amounts, to construct dwellings without sacrificing sound standards of construction, design, or livability. The limitations on mortgage amounts are as follows:

	Present amounts	Special amounts in bill
Single family.....	\$5, 400	\$8, 100
2 family.....	7, 500	12, 500
3 family.....	9, 500	15, 750
4 family.....	12, 000	18, 000

Paragraph (c) reduces the maximum interest rate on sales housing from the present statutory maximum of 5 percent per annum to 4 percent per annum.

Paragraph (d) changes the present requirement that before a mortgage is accepted for insurance the Administrator shall find that the project with respect to which it is executed is an acceptable risk in view of the national emergency declared by the President on May 27, 1941, to require that he find it is an acceptable risk in view of the present acute shortage of housing. It would also require the Administrator to provide for preference or priority of opportunity for veterans and hardship cases in the purchase or rental of properties insured under title VI.

Paragraph (e) would permit the maximum percentage amounts of insured mortgages to be based on necessary current replacement costs rather than on the appraised value of the property.

Paragraph (f) would raise to \$1,600 the present \$1,350 limitation on the cost per room on rental properties insured under section 608, and also substitutes "necessary" replacement cost rather than "reasonable replacement cost as the basis on which maximum percentage amounts of insured mortgages would be determined.

Paragraph (g) would permit mortgage insurance premiums paid after default to be included in the value of the mortgage and therefore covered in the debentures issued to the mortgagee.

Section 11: This section contains the provisions authorizing \$600,000,000 in premium payments, and sets forth the standards to be applied in connection with such premium payments. These standards, because of their importance, have been detailed earlier in the body of this report.

Section 12: This section contains the provisions relating to the guaranty of markets for new type materials and prefabricated houses, and sets forth the standards to be applied in connection with such guaranties. These standards, because of their importance, have been detailed earlier in the body of this report.

Section 13: This section contains the usual separability provisions.



Calendar No. 1146

79TH CONGRESS
2^D SESSION

H. R. 4761

[Report No. 1130]

IN THE SENATE OF THE UNITED STATES

MARCH 8 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on Banking and Currency

APRIL 5 (legislative day, MARCH 5), 1946

Reported by Mr. BARKLEY, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 ~~That the National Housing Act, as amended, is amended~~
- 4 ~~by inserting after title VI thereof a new title, as follows:~~

1 ernment, be subject to the laws and regulations governing
2 the appointment of officers within such agency and he shall
3 receive compensation in compliance with such laws and
4 regulations; if the Housing Expediter is appointed as an
5 independent officer of the Government, then such appoint-
6 ment shall be made by and with the advice and consent of
7 the Senate of the United States and he shall receive compen-
8 sation at the rate of \$12,000 per annum.

9 “(b) The Housing Expediter, in addition to such other
10 functions and powers as may be delegated to him by the
11 President, is authorized to—

12 “(1) formulate such plans and programs as are
13 necessary to provide for an increased supply of housing
14 accommodations of all kinds and, in particular, of homes
15 available for sale or rental at moderate prices to veterans
16 of World War II and their immediate families;

17 “(2) issue such orders, regulations, or directives
18 to other executive agencies as may be necessary to
19 provide for the exercise of their powers in a manner
20 required by or consistent with the execution of the
21 aforesaid plans and programs, and to coordinate the
22 activities of such agencies directed to the execution
23 of such plans and programs. Each executive agency
24 shall carry out without delay the orders, regulations,
25 or directives of the Housing Expediter, and shall, to

1 the extent necessary, modify its operations and pro-
2 cedures from time to time to conform to the directions
3 of the Housing Expediter;

4 “~~(3)~~ recommend to the President the enactment
5 of such legislation as may be necessary to provide the
6 authority to carry out such plans and programs as are
7 not authorized under existing law;

8 “~~(4)~~ consult and cooperate with other agencies
9 of the Federal Government, State and local govern-
10 ments, industries, labor, and other groups, both national
11 and local, with respect to the problems created by
12 the housing emergency and the steps which can be
13 taken to remedy it.

14 “~~(c)~~ The executive agencies of the Government shall
15 exercise their emergency powers and other powers for the
16 purpose of aiding in the solution of the problems created
17 by the existing housing emergency, the alleviation of which
18 is vital to an orderly transition from war to peace.

19 “~~(d)~~ ~~(1)~~ All functions, powers, authority, or duties
20 vested in the Office of War Mobilization and Reconversion
21 or the Director thereof by the War Mobilization and Recon-
22 version Act of 1944 which are or may be necessary or
23 suitable to enable the Housing Expediter to carry out the
24 provisions of this title and such plans and programs as such
25 Housing Expediter may develop for the alleviation of the

1 housing emergency, are hereby transferred to the Housing
2 Expediter. The powers so transferred shall include the
3 power to issue orders, regulations, or directives to other
4 executive agencies with respect to the exercise by such
5 agencies of their respective powers and authority.

6 “(2) The powers so transferred shall continue during
7 the period in which this Act is in effect, notwithstanding
8 any other provision terminating such powers contained in
9 the said War Mobilization and Reconversion Act of 1944.

10 “SEC. 703. (a) Whenever in the judgment of the
11 Expediter the sales prices of housing accommodations the
12 construction of which is completed after the effective date of
13 this title have risen or threaten to rise to an extent or in a
14 manner inconsistent with the purposes of this Act, he may
15 by regulation or order establish maximum sales prices for
16 such housing accommodations in accordance with the pro-
17 visions of this title. Any such regulation or order may be
18 limited in its scope to such geographical area or areas and to
19 such types or classifications of such housing accommodations
20 as in the judgment of the Expediter may be necessary to
21 effectuate the purposes of this title. Before issuing any regu-
22 lation or order under this section, the Expediter shall, so far
23 as practicable, advise and consult with representative mem-
24 bers of industries affected by such regulation or order, and he
25 shall give consideration to their recommendations and to any

1 recommendations which may be made by State and local
2 officials concerned with housing conditions in any area
3 affected by such regulation or order.

4 “(b) Any regulation or order issued under the authority
5 of this section with respect to housing accommodations the
6 construction of which is completed after the effective date of
7 this title shall provide that no sale of any such housing accom-
8 modations shall take place until after the builder thereof has
9 filed with the appropriate agency designated by the Expediter
10 a description of such accommodations, including a statement
11 of the proposed maximum sales price, and has received from
12 such agency a certification that such price is reasonably re-
13 lated to the value of the accommodations to be sold, taking
14 into consideration ~~(1)~~ reasonable construction costs not in
15 excess of the legal maximum prices of the materials and
16 services required for the construction, ~~(2)~~ the fair market
17 value of the land ~~(immediately prior to construction)~~ and im-
18 provements sold with the housing accommodations, and ~~(3)~~
19 a margin of profit reflecting the generally prevailing profit
20 margin upon comparable units during the calendar year 1941.
21 Any prospective seller of such housing accommodations may
22 apply for such certification at any time, including before the
23 commencement of construction, during its progress, or after
24 its completion. In any case where a certification of approval
25 of a proposed maximum sales price has been issued prior to

1 the completion of construction, the prospective seller may, at
2 any time before the first sale, apply for such revision of the
3 maximum sales price previously certified as may be justified
4 by a showing of special circumstances arising during the
5 course of construction and not reasonably to have been antici-
6 pated at the time of the issuance of the earlier certification.
7 The first sale of housing accommodations the construction
8 of which is completed after the effective date of this title shall
9 not be made at a price in excess of the maximum sales price
10 certified under this subsection. The actual price at which
11 any such housing accommodations is first sold, plus any
12 increases authorized pursuant to subsection (c), shall be the
13 maximum sales price for any subsequent sale of such housing
14 accommodations.

15 “(c) The Expediter shall by regulation or order provide
16 for appropriate price increases for major structural changes
17 or improvements, not including ordinary maintenance and
18 repair, effected subsequent to the first sale after the effective
19 date of this title.

20 “(d) The Expediter may promulgate such regulations
21 as he deems necessary and proper to carry out any of the
22 provisions of the title and may exercise any power or
23 authority conferred upon him by this title through such
24 department, agency, or officer as he shall direct. Any regu-
25 lation or order under this title may contain such classifica-

1 tions and differentiations and may provide for such adjust-
2 ments and reasonable exceptions as in the judgment of the
3 Expediter are necessary or proper in order to effectuate the
4 purposes of this title. The Expediter shall have power to
5 forbid the export of any lumber or other materials to any
6 foreign country which are needed for the housing program.

7 “(c) Whenever in the judgment of the Expediter such
8 action is necessary or proper in order to effectuate the
9 purposes of this title, he may by regulation or order make
10 such provisions as he deems necessary to prevent the circum-
11 vention or evasion thereof and he may regulate or prohibit
12 speculative or manipulative practices (including the requir-
13 ing of the purchase of land prior to or as a condition of
14 undertaking construction work or the requiring of the pur-
15 chaser of housing accommodations to buy additional land or
16 any commodity or service as a condition of securing such
17 housing accommodations) in connection with the sale of any
18 housing accommodations which in his judgment are equiva-
19 lent to or likely to result in price increases inconsistent with
20 the purposes of this title.

21 “SEC 704. (a) Whenever in the judgment of the Ex-
22 pediter there is a shortage in the supply of any material or of
23 any facilities suitable for the construction and/or completion
24 of housing accommodations in rural and urban areas, and

1 for the construction and repair of essential farm buildings;
2 he may by regulation or order allocate, or establish priorities
3 for the delivery of, such material or facilities in such manner,
4 upon such conditions, and to such extent as he deems neces-
5 sary and appropriate in the public interest and to effectuate
6 the purposes of this title; and the Expediter is authorized
7 regardless of any other legislation to direct the Office of
8 Price Administration to make such price adjustments as are
9 necessary to stimulate the production of building materials.

10 “(b) In issuing any regulation or order allocating or
11 establishing priorities for the delivery of any material or
12 facilities under this section, the Expediter shall give special
13 consideration to ~~(1)~~ the general need for housing accom-
14 modations for sale or rent at moderate prices, ~~(2)~~ the need
15 for the construction and repair of essential farm buildings,
16 and ~~(3)~~ satisfying the housing requirements of veterans of
17 World War II and their immediate families.

18 “(c) The provisions of this section shall not be construed
19 as in any way affecting the power of the President to assign
20 priorities or to allocate any materials or facilities under the
21 provisions of subsection ~~(a)~~ of section 2 of the Act of June
22 28, 1940, entitled ‘An Act to expedite national defense, and
23 for other purposes’, as amended.

24 “SEC. 705. It shall be unlawful for any person to effect,
25 either as principal or broker, a sale of any housing accommo-

1 dations at a price in excess of the maximum sales price
2 applicable to such sale under the provisions of this title, or to
3 offer, solicit, attempt, or agree to making any such sale. It
4 shall be unlawful for any person to violate the terms of any
5 regulation or order issued under the provisions of this title.
6 Notwithstanding any termination of this title as contem-
7 plated in section 701 (b) hereinabove, the provisions of this
8 title, and of all regulations and orders issued thereunder,
9 shall be treated as remaining in force, as to rights or liabilities
10 incurred or offenses committed prior to such termination date,
11 for the purpose of sustaining any proper suit, action, or
12 prosecution with respect to any such right, liability, or
13 offense.

14 “SEC. 706. Any person who is aggrieved by any
15 action taken pursuant to any regulation or order issued under
16 the authority of this title may petition the district court
17 of the district in which he resides or has his place of busi-
18 ness for a review of such action, and such district court
19 shall have jurisdiction to enjoin or set aside, in whole or in
20 part, such action or to dismiss the petition. No such action
21 shall be enjoined or set aside, in whole or in part, unless
22 the petitioner establishes to the satisfaction of the court that
23 such action is not in accordance with law is unsupported
24 by competent, material and substantial evidence or is arbi-
25 trary or capricious.

1 “SEC. 707. (a) Whenever in the judgment of the
2 Expediter any person has engaged or is about to engage in
3 any acts or practices which constitute or will constitute
4 a violation of any provision of section 705 of this title,
5 he may make application to the appropriate court for an
6 order enjoining such acts or practices, or for an order en-
7 forcing compliance with such provision, and upon a show-
8 ing by the Expediter that such person has engaged or is
9 about to engage in any such acts or practices a perma-
10 nent or temporary injunction, restraining order, or other
11 order may be granted and if granted shall be granted without
12 bond.

13 “(b) Any person who willfully violates any provision
14 of section 705 of this title, and any person who knowingly
15 makes any statement or entry false in any material respect in
16 any record or report required to be kept or filed under
17 section 703, shall, upon conviction thereof, be subject to a
18 fine of not more than \$5,000, or to imprisonment for not more
19 than one year or to both such fine and imprisonment. When-
20 ever the Director has reason to believe that any person is
21 liable to punishment under this subsection, he may certify the
22 facts to the Attorney General, who may, in his discretion,
23 cause appropriate proceedings to be brought.

24 “(c) The district courts shall have jurisdiction of crimi-
25 nal proceedings for violations of section 705 of this title,

1 and, concurrently with State and Territorial courts, of all other
2 proceedings under this section. Such criminal proceed-
3 ings may be brought in any district in which any part of any
4 act or transaction constituting the violation occurred. Such
5 other proceedings may be brought in any district in which
6 any part of any act or transaction constituting the violation
7 occurred, and may also be brought in the district in which
8 the defendant resides or transacts business, and process in
9 such cases may be served in any district wherein the defend-
10 ant resides or transacts business or wherever the defendant
11 may be found. Any such court shall advance on the docket
12 and expedite the disposition of any criminal or other pro-
13 ceedings brought before it under this section. No costs shall
14 be assessed against the Expediter or the United States Gov-
15 ernment in any proceeding under this title.

16 “(d) If any person selling housing accommodations
17 violates a regulation or order prescribing a maximum selling
18 price, the person who buys such housing accommodations
19 may, within one year from the date of the occurrence of the
20 violation, bring an action for treble the amount by which
21 the consideration exceeded the maximum selling price, plus
22 reasonable attorney’s fees and costs as determined by the
23 court. If the buyer fails to bring an action under this sub-
24 section within sixty days from the date of the violation, the
25 Expediter may bring such action on behalf of the United

1 States within one year from the date of the violation. If
2 such action is brought by the Expediter, the buyer shall there-
3 after be barred from bringing an action for the same violation.

4 “SEC. 708. As used in this title—

5 “(a) The term ‘maximum sales price’ means the maxi-
6 mum price for which any housing accommodations the con-
7 struction of which is completed after the effective date of
8 this title may be sold and includes the total consideration
9 which may be paid by the buyer for such housing accom-
10 modations with accompanying land and improvements, ex-
11 cluding only those incidental charges, such as brokerage fees
12 or commissions or charges, which buyers or sellers of such
13 housing accommodations customarily assume in the com-
14 munity where such accommodations are located and which
15 actually have been incurred for services rendered at the
16 buyer’s or seller’s request.

17 “(b) The term ‘person’ includes an individual, corpora-
18 tion, partnership, association, or any other organized group
19 of any of the foregoing, or legal successor or representative
20 of any of the foregoing.

21 “(c) The term ‘district court’ means any district court
22 of the United States, and the United States court for any
23 Territory or other place subject to the jurisdiction of the
24 United States.

25 “SEC. 709. There are authorized to be appropriated such

1 sums as may be necessary or proper to carry out the provisions
2 and purposes of this title: *Provided, however,* That so much of
3 the First Deficiency Appropriation Act, 1946 (Public Law
4 Numbered 269, Seventy-ninth Congress, approved December
5 28, 1945), as reads '*Provided,* That none of the funds avail-
6 able under this head for administrative expenses shall be used
7 in paying the salary of any person engaged in making or
8 processing loans in excess of \$500,000 to any State, any
9 subdivision thereof, any municipality therein, or any public
10 authority, for construction purposes, unless in pursuance of a
11 specific authorization, except, however, that this provision
12 shall not apply to any application or loan approved or made
13 prior to December 15, 1945, shall not apply to loans made
14 for construction, removal, or remodeling of housing by pub-
15 licly supported educational institutions where made for the
16 purposes of housing veterans enrolled and attending such
17 institution.

18 "SEC. 710. If any provision of this title or the applica-
19 tion of such provision to any person or circumstances shall
20 be held invalid, the validity of the remainder of the title
21 and the applicability of such provision to other persons or
22 circumstances shall not be affected thereby.

23 "SEC. 711. (a) Section 603 (a) of the National Hous-
24 ing Act, as amended, is hereby amended to read as follows:

25 "“(1) In order to assist in relieving the acute short-

1 age of housing which now exists and to increase the supply
2 of housing accommodations available to veterans of World
3 War II at prices within their reasonable ability to pay,
4 the Administrator is authorized, upon application by the
5 mortgagee, to insure as hereinafter provided any mortgage
6 which is eligible for insurance as hereinafter provided, and,
7 upon such terms as the Administrator may prescribe, to
8 make commitments for the insuring of such mortgages prior
9 to the date of their execution or disbursement thereon: *Pro-*
10 *vided*, That the aggregate amount of principal obligations
11 of all mortgages insured under this title shall not exceed
12 \$2,800,000,000 except that with the approval of the Presi-
13 dent such aggregate amount may be increased to not to
14 exceed \$3,800,000,000: *Provided further*, That no mort-
15 gage shall be insured under this title after June 30, 1947,
16 except (A) pursuant to a commitment to insure issued on
17 or before June 30, 1947, or (B) a mortgage given to re-
18 finance an existing mortgage insured under this title and
19 which does not exceed the original principal amount and
20 unexpired term of such existing mortgage: *And provided*
21 *further*, That the Administrator shall, in his discretion, have
22 power to require the availability for rental purposes of
23 properties covered by mortgages insured under this title, in
24 such instances and for such periods of time as he may pre-
25 scribe.

1 ~~“(b) Section 603 (b) (2) of the National Housing~~
 2 ~~Act, as amended, is hereby amended to read as follows:~~

3 ~~“(2) involve a principal obligation (including~~
 4 ~~such initial service charges, appraisal, inspection, and~~
 5 ~~other fees as the Administrator shall approve) in an~~
 6 ~~amount not to exceed 90 per centum of the appraised~~
 7 ~~value (as of the date the mortgage is accepted for~~
 8 ~~insurance) of a property, urban, suburban, or rural,~~
 9 ~~upon which there is located a dwelling designed prin-~~
 10 ~~cipally for residential use for not more than four~~
 11 ~~families in the aggregate, which is approved for~~
 12 ~~mortgage insurance prior to the beginning of construc-~~
 13 ~~tion. The principal obligation of such mortgage shall in~~
 14 ~~no event, however, exceed—~~

15 ~~“(A) \$5,400 if such dwelling is designed for~~
 16 ~~a single family residence, or~~

17 ~~“(B) \$7,500 if such dwelling is designed for~~
 18 ~~a two-family residence, or~~

19 ~~“(C) \$9,500 if such dwelling is designed for~~
 20 ~~a three-family residence, or~~

21 ~~“(D) \$12,000 if such dwelling is designed~~
 22 ~~for a four-family residence:~~

23 ~~Provided, That the Administrator may, if he finds that~~
 24 ~~at any time or in any particular geographical area it~~

1 is not feasible, within such limitations of maximum
 2 mortgage amounts, to construct dwellings without sacri-
 3 fice of sound standards of construction, design, or
 4 liability, prescribe by regulation or otherwise higher
 5 maximum mortgage amounts not to exceed—

6 “~~‘(A)~~ \$8,100 if such dwelling is designed for
 7 a single-family residence, or

8 “~~‘(B)~~ \$10,800 if such dwelling is designed for
 9 a two-family residence, or

10 “~~‘(C)~~ \$13,500 if such dwelling is designed for
 11 a three-family residence, or

12 “~~‘(D)~~ \$16,200 if such dwelling is designed for
 13 a four-family residence.’

14 “~~‘(e)~~ Section 603 ~~-(b)- (5)-~~ of the National Housing
 15 Act, as amended, is hereby amended to read as follows:

16 “~~‘(5)~~ bear interest ~~-(exclusive of premium charges~~
 17 ~~for insurance)-~~ at not to exceed 4 per centum per annum
 18 on the amount of the principal obligation outstanding at
 19 any time.’

20 “~~‘(d)~~ Section 603 ~~-(e)-~~ of the National Housing Act, as
 21 amended, is hereby amended ~~-(1)-~~ by striking out of the third
 22 sentence the word ‘emergency’ and inserting in lieu thereof
 23 the words ‘shortage of housing’, and ~~-(2)-~~ by striking out the
 24 last sentence thereof and inserting in lieu thereof the follow-
 25 ing sentence: ‘The Administrator shall prescribe such pro-

1 cedures as in his judgment are necessary to secure to veterans
 2 of World War II, and their immediate families, and to hard-
 3 ship cases as defined by the Administrator, preference or
 4 priority of opportunity to purchase or rent properties covered
 5 by mortgages insured under this title."

6 "~~(e)~~ Section 608 ~~(b)~~ of the National Housing Act, as
 7 amended, is hereby amended ~~(1)~~ by amending paragraph
 8 numbered ~~(2)~~ thereof to read as follows:

9 "~~'(2)~~ Preference or priority of opportunity in the
 10 occupancy of the mortgaged property for veterans of World
 11 War II and their immediate families, and for hardship cases
 12 as defined by the Administrator, shall be provided under
 13 such regulations and procedures as may be prescribed by the
 14 Administrator'; and ~~(2)~~ by striking out '\$1,350' and in-
 15 serting in lieu thereof '\$1,500'.

16 "~~(f)~~ Section 608 ~~(c)~~ of the National Housing Act,
 17 as amended, is hereby amended by inserting in the third
 18 sentence before the semicolon at the end of clause ~~'(C)'~~,
 19 the following: 'and any mortgage insurance premiums paid
 20 after default'."

21 *That this Act may be cited as the "Veterans' Emergency*
 22 *Housing Act of 1946"*.

23 *SEC. 1. (a) The long-term housing shortage and the*
 24 *war have combined to create an unprecedented emergency*
 25 *shortage of housing, particularly for veterans of World War*

1 *II and their families. This requires during the next two*
2 *years a house-construction program larger than ever before.*
3 *The first step toward such a program is to overcome the seri-*
4 *ous shortages and bottlenecks with respect to building mate-*
5 *rials, to expedite the production of such materials, to allocate*
6 *them for house construction and other essential purposes, and*
7 *to accelerate the production of houses with preferences for*
8 *veterans of World War II and at sales prices or rentals*
9 *within their means. To carry out this program, it is neces-*
10 *sary to invest a housing expediter with adequate powers, in-*
11 *cluding the power to issue policy directives. It is necessary*
12 *also to minimize the inflationary and speculative overpricing*
13 *of housing and related real estate which is resulting from the*
14 *current shortage. Accomplishment of these objectives will*
15 *assist returning veterans to acquire housing at fair prices,*
16 *stimulate industry and employment, prevent a post-emergency*
17 *collapse of values in the housing field, and promote a swift*
18 *and orderly transition to a peacetime economy.*

19 *(b) The provisions of this Act, and all regulations and*
20 *orders issued thereunder, shall terminate on December 31,*
21 *1947, or upon the date specified in a concurrent resolution*
22 *by the two Houses of the Congress, declaring that the pro-*
23 *visions of the Act are no longer necessary to deal with the*
24 *existing national emergency, whichever date is the earlier.*

1 (c) *The provisions of this Act shall be applicable to the*
2 *United States, its Territories and possessions, and the District*
3 *of Columbia.*

4 SEC. 2. (a) *There is hereby created an office to be*
5 *known as Housing Expediter; and the President is authorized*
6 *to designate an existing official of the Government to serve*
7 *as Housing Expediter, or to appoint the Housing Expediter*
8 *either within any existing agency or as an independent officer*
9 *of the Government. In the event of a designation of an*
10 *existing official, he is hereby authorized and permitted to*
11 *continue in his present post while serving as Housing Ex-*
12 *pediter, except that he shall receive no additional compen-*
13 *sation by reason of his designation hereunder. If, however,*
14 *such Housing Expediter is appointed, his appointment shall,*
15 *if within an existing agency of the Government, be subject*
16 *to the laws and regulations governing the appointment of*
17 *officers within such agency and he shall receive compensation*
18 *in compliance with such laws and regulations; if the Hous-*
19 *ing Expediter is appointed as an independent officer of the*
20 *Government, then such appointment shall be made by and*
21 *with the advice and consent of the Senate of the United*
22 *States and he shall receive compensation at the rate of*
23 *\$12,000 per annum.*

24 (b) *The Housing Expediter, in addition to such other*

1 *functions and powers as may be delegated to him by the*
2 *President, is authorized to—*

3 *(1) formulate such plans and programs as are nec-*
4 *essary to provide for an increased supply of housing*
5 *accommodations of all kinds and, in particular, of homes*
6 *available for sale or rental at moderate prices to veterans*
7 *of World War II and their immediate families;*

8 *(2) issue such orders, regulations, or directives to*
9 *other executive agencies (including the Office of Economic*
10 *Stabilization and the Office of Price Administration) as*
11 *may be necessary to provide for the exercise of their*
12 *powers in a manner required by or consistent with the*
13 *execution of the aforesaid plans and programs, and to*
14 *coordinate the activities of such agencies directed to the*
15 *execution of such plans and programs. Each executive*
16 *agency shall carry out without delay the orders, regula-*
17 *tions, or directives of the Housing Expediter, and shall,*
18 *to the extent necessary, modify its operations and pro-*
19 *cedures from time to time to conform to the directions of*
20 *the Housing Expediter;*

21 *(3) recommend to the President the enactment of*
22 *such legislation as may be necessary to provide the author-*
23 *ity to carry out such plans and programs as are not*
24 *authorized under existing law;*

25 *(4) consult and cooperate with other agencies*

1 of the Federal Government, State and local govern-
2 ments, industries, labor, and other groups, both national
3 and local, with respect to the problems created by
4 the housing emergency and the steps which can be
5 taken to remedy it.

6 (c) The executive agencies of the Government shall
7 exercise their emergency powers and other powers for the
8 purpose of aiding in the solution of the problems created
9 by the existing housing emergency, the alleviation of which
10 is vital to an orderly transition from war to peace.

11 (d) (1) All functions, powers, authority, or duties
12 vested in the Office of War Mobilization and Reconversion
13 or the Director thereof by the War Mobilization and Recon-
14 version Act of 1944 which are or may be necessary or
15 suitable to enable the Housing Expediter to carry out the
16 provisions of this Act and such plans and programs as
17 such Housing Expediter may develop for the alleviation of
18 the housing emergency, are hereby transferred to the Housing
19 Expediter. The powers so transferred shall include the
20 power to issue orders, regulations, or directives to other
21 executive agencies with respect to the exercise by such
22 agencies of their respective powers and authority.

23 (2) The powers so transferred shall continue during
24 the period in which this Act is in effect, notwithstanding

1 any other provision terminating such powers contained in
2 the said War Mobilization and Reconversion Act of 1944.

3 SEC. 3. (a) Whenever in the judgment of the Expediter
4 the sales prices of housing accommodations or unimproved
5 lands (as defined in paragraph (e) of section 8) have risen
6 or threaten to rise to an extent or in a manner inconsistent
7 with the purposes of this Act, he may by regulation or order
8 establish maximum sales prices for such housing accommo-
9 dations or unimproved lands in accordance with the provi-
10 sions of this Act. Any such regulation or order may be
11 limited in its scope to such geographical area or areas and
12 to such types or classifications of such housing accommoda-
13 tions or unimproved lands as in the judgment of the Expe-
14 diter may be necessary to effectuate the purposes of this Act.
15 Before issuing any regulation or order under this section,
16 the Expediter shall, so far as practicable, advise and consult
17 with representative members of industries affected by such
18 regulation or order, and he shall give consideration to their
19 recommendations and to any recommendations which may
20 be made by State and local officials concerned with housing
21 conditions in any area affected by such regulation or order.

22 (b) Any regulation or order issued under the authority
23 of this section with respect to housing accommodations the
24 construction of which is completed after the effective date
25 of this Act shall provide that no sale of any such housing

1 accommodations shall take place until after the builder thereof
2 has filed with the appropriate agency designated by the
3 Expediter a description of such accommodations, including
4 a statement of the proposed maximum sales price, and has
5 received from such agency a certification that such price is
6 reasonably related to the value of the accommodations to be
7 sold, taking into consideration (1) reasonable construction
8 costs not in excess of the legal maximum prices of the materials
9 and services required for the construction, (2) the fair mar-
10 ket value of the land (immediately prior to construction) and
11 improvements sold with the housing accommodations, and
12 (3) a margin of profit reflecting the generally prevailing
13 profit margin upon comparable units during the calendar
14 year 1941. Any prospective seller of such housing accom-
15 modations may apply for such certification at any time,
16 including before the commencement of construction, during
17 its progress, or after its completion. In any case where a
18 certification of approval of a proposed maximum sales price
19 has been issued prior to the completion of construction, the
20 prospective seller may, at any time before the first sale, apply
21 for such revision of the maximum sales price previously
22 certified as may be justified by a showing of special circum-
23 stances arising during the course of construction and not
24 reasonably to have been anticipated at the time of the issu-
25 ance of the earlier certification. The first sale of housing

1 accommodations the construction of which is completed after
2 the effective date of this Act shall not be made at a price in
3 excess of the maximum sales price certified under this sub-
4 section. The actual price at which any such housing accom-
5 modations is first sold, plus any increases authorized pur-
6 suant to subsection (d), shall be the maximum sales price
7 for any subsequent sale of such housing accommodations.

8 (c) Any regulation or order issued under the authority
9 of this Act establishing maximum sales prices for housing
10 accommodations in existence on or prior to the effective date
11 of this Act or for unimproved lands shall establish as the
12 maximum prices the price of the first bona fide sale of such
13 housing accommodations or such unimproved lands, as the
14 case may be, after the effective date of this Act. Any regu-
15 lation or order under this subsection shall provide for the
16 making of appropriate adjustments in the maximum sales
17 price where substantial improvements to any housing accom-
18 modations or betterments to unimproved lands have been
19 made subsequent to the last sale.

20 (d) The Expediter shall by regulation or order provide
21 for appropriate price increases for major structural changes
22 or improvements, not including ordinary maintenance and
23 repair, effected subsequent to the first sale after the effective
24 date of this Act.

25 (e) The Expediter may promulgate such regulations as

1 he deems necessary and proper to carry out any of the pro-
2 visions of this Act and may exercise any power or authority
3 conferred upon him by this Act through such department,
4 agency, or officer as he shall direct. Any regulation or order
5 under this Act may contain such classifications and differ-
6 entiations and may provide for such adjustments and reason-
7 able exceptions as in the judgment of the Expediter are
8 necessary or proper in order to effectuate the purposes of
9 this Act.

10 (f) Whenever in the judgment of the Expediter such
11 action is necessary or proper in order to effectuate the
12 purposes of this Act, he may by regulation or order make
13 such provisions as he deems necessary to prevent the circum-
14 vention or evasion thereof and he may regulate or prohibit
15 speculative or manipulative practices (including the requir-
16 ing of the purchase of land prior to or as a condition of
17 undertaking construction work or the requiring of the pur-
18 chaser of housing accommodations to buy additional land or
19 any commodity or service as a condition of securing such
20 housing accommodations) in connection with the sale of any
21 housing accommodations or unimproved lands which in his
22 judgment are equivalent to or likely to result in price in-
23 creases inconsistent with the purposes of this Act.

24 SEC. 4. (a) Whenever in the judgment of the Ex-
25 pediter there is a shortage in the supply of any materials

1 or of any facilities suitable for the construction and/or
2 completion of housing accommodations in rural and urban
3 areas, and for the construction and repair of essential farm
4 buildings, he may by regulation or order allocate, or establish
5 priorities for the delivery of, materials or facilities in such
6 manner, upon such conditions, and to such extent as he deems
7 necessary and appropriate in the public interest and to
8 effectuate the purposes of this Act.

9 (b) In issuing any regulation or order allocating or
10 establishing priorities for the delivery of any materials or
11 facilities under this section, the Expediter shall give special
12 consideration to (1) the general need for housing accom-
13 modations for sale or rent at moderate prices, (2) the need
14 for the construction and repair of essential farm buildings,
15 and (3) satisfying the housing requirements of veterans of
16 World War II and their immediate families. In order to
17 assure preference or priority of opportunity to such veterans
18 or their families, the Expediter shall require that no housing
19 assisted by allocations or priorities under this section shall
20 be sold within 60 days after completion or rented within 30
21 days after completion for occupancy by persons other than
22 such veterans or their families: Provided, That the Expediter
23 by appropriate regulation may allow for hardship cases.
24 Section 215 of Public Law 49, Seventy-ninth Congress,
25 approved May 3, 1945, is hereby repealed.

1 (c) The provisions of this section shall not be construed
2 as in any way affecting the power of the President to assign
3 priorities or to allocate any materials or facilities under the
4 provisions of subsection (a) of section 2 of the Act of June
5 28, 1940, entitled "An Act to expedite national defense, and
6 for other purposes" (50 U. S. C. 633), as amended.

7 SEC. 5. It shall be unlawful for any person to effect,
8 either as principal or broker, a sale of any housing accom-
9 modations or unimproved lands at a price in excess of the
10 maximum sales price applicable to such sale under the pro-
11 visions of this Act, or to offer, solicit, attempt, or agree to
12 making any such sale. It shall be unlawful for any person
13 to violate the terms of any regulation or order issued under
14 the provisions of this Act. Notwithstanding any termination
15 of this Act as contemplated in section 1 (b) hereinabove,
16 the provisions of this Act, and of all regulations and orders
17 issued thereunder, shall be treated as remaining in force, as
18 to rights or liabilities incurred or offenses committed prior to
19 such termination date, for the purpose of sustaining any
20 proper suit, action, or prosecution with respect to any such
21 right, liability, or offense.

22 SEC. 6. Any person who is aggrieved by any action
23 taken pursuant to any regulation or order issued under the
24 authority of this Act may petition the district court of the
25 district in which he resides or has his place of business for a

1 review of such action, and such district court shall have juris-
2 diction to enjoin or set aside, in whole or in part, such action
3 or to dismiss the petition. No such action shall be enjoined
4 or set aside, in whole or in part, unless the petitioner estab-
5 lishes to the satisfaction of the court that such action is not
6 in accordance with law, is unsupported by competent, mate-
7 rial, and substantial evidence, or is arbitrary or capricious.

8 SEC. 7. (a) Whenever in the judgment of the Expediter
9 any person has engaged or is about to engage in any acts or
10 practices which constitute or will constitute a violation of any
11 provision of section 5 of this Act, he may make application
12 to the appropriate court for an order enjoining such acts or
13 practices, or for an order enforcing compliance with such
14 provision, and upon a showing by the Expediter that such
15 person has engaged or is about to engage in any such acts or
16 practices a permanent or temporary injunction, restraining
17 order, or other order may be granted and if granted shall be
18 granted without bond.

19 (b) Any person who willfully violates any provision
20 of section 5 of this Act, and any person who knowingly
21 makes any statement or entry false in any material respect
22 in any record or report required to be kept or filed under
23 section 3, shall, upon conviction thereof, be subject to a fine
24 of not more than \$5,000, or to imprisonment for not more
25 than one year, or to both such fine and imprisonment. When-

1 ever the Expediter has reason to believe that any person is
2 liable to punishment under this subsection, he may certify
3 the facts to the Attorney General, who may, in his discretion,
4 cause appropriate proceedings to be brought.

5 (c) The district courts shall have jurisdiction of crimi-
6 nal proceedings for violations of section 5 of this Act, and,
7 concurrently with State and Territorial courts, of all other
8 proceedings under this section. Such criminal proceedings
9 may be brought in any district in which any part of any
10 act or transaction constituting the violation occurred. Such
11 other proceedings may be brought in any district in which any
12 part of any act or transaction constituting the violation
13 occurred, and may also be brought in the district in which the
14 defendant resides or transacts business, and process in such
15 cases may be served in any district wherein the defendant
16 resides or transacts business or wherever the defendant may
17 be found. Any such court shall advance on the docket and
18 expedite the disposition of any criminal or other proceedings
19 brought before it under this section. No costs shall be
20 assessed against the Expediter or the United States Govern-
21 ment in any proceeding under this Act.

22 (d) If any person selling housing accommodations vio-
23 lates a regulation or order prescribing a maximum selling
24 price, the person who buys such housing accommodations
25 may, within one year from the date of the occurrence of the

1 violation, bring an action for treble the amount by which the
2 consideration exceeded the maximum selling price, plus rea-
3 sonable attorney's fees and costs as determined by the court.
4 If the buyer fails to bring an action under this subsection
5 within sixty days from the date of the violation, the Expediter
6 may bring such action on behalf of the United States within
7 one year from the date of the violation. If such action is
8 brought by the Expediter, the buyer shall thereafter be barred
9 from bringing an action for the same violation.

10. SEC. 8. As used in this Act—

11. (a) The term "maximum sales price" means the maxi-
12 mum price for which any housing accommodations or unim-
13 proved lands may be sold and includes the total consideration
14 which may be paid by the buyer for such housing accommo-
15 dations (with accompanying land and improvements) or
16 unimproved lands, excluding only those incidental charges
17 such as brokerage fees or commissions or charges, which
18 buyers or sellers of such housing accommodations or unim-
19 proved lands customarily assume in the community where
20 such accommodations or lands are located and which actually
21 have been incurred for services rendered at the buyer's or
22 seller's request.

23 (b) The term "person" includes an individual, cor-
24 poration, partnership, association, or any other organized

1 group of any of the foregoing, or legal successor or represen-
2 tative of any of the foregoing.

3 (c) The term "district court" means any district court
4 of the United States, and the United States court for any
5 Territory or other place subject to the jurisdiction of the
6 United States.

7 (d) The term "veterans of World War II" shall in-
8 clude persons who have served in the active military or
9 naval forces of the United States on or after September
10 16, 1940, and prior to the termination of hostilities in
11 World War II, and who have been discharged or released
12 therefrom under conditions other than dishonorable, and per-
13 sons serving in the military or naval forces of the United
14 States requiring housing accommodations for their dependent
15 families.

16 (e) The term "unimproved lands" shall mean any real
17 property (to which there has not been affixed any building
18 or structures) located within the corporate limits of munici-
19 palities or suitable for subdivision for use for the veterans'
20 emergency housing program.

21 SEC. 9. There are authorized to be appropriated such
22 sums as may be necessary to carry out the provisions
23 and purposes of this Act: Provided, however, That so
24 much of the First Deficiency Appropriation Act, 1946

1 *(Public Law Numbered 269, Seventy-ninth Congress, ap-*
2 *proved December 28, 1945), as reads "Provided, That none*
3 *of the funds available under this head for administrative*
4 *expenses shall be used in paying the salary of any person*
5 *engaged in making or processing loans in excess of \$500,000*
6 *to any State, any subdivision thereof, any municipality*
7 *therein, or any public authority, for construction purposes,*
8 *unless in pursuance of a specific authorization, except, how-*
9 *ever, that this provision shall not apply to any application*
10 *or loan approved or made prior to December 15, 1945",*
11 *shall not apply to loans made for construction, removal, or*
12 *remodeling of housing by publicly supported educational in-*
13 *stitutions where made for the purposes of housing veterans*
14 *enrolled and attending such institution.*

15 *SEC. 10. (a) Section 603 (a) of the National Housing*
16 *Act, as amended, is hereby amended to read as follows:*

17 *"(a) In order to assist in relieving the acute shortage*
18 *of housing which now exists and to increase the supply of*
19 *housing accommodations available to veterans of World War*
20 *II at prices within their reasonable ability to pay, the*
21 *Administrator is authorized, upon application by the mort-*
22 *gagee, to insure as hereinafter provided any mortgage which*
23 *is eligible for insurance as hereinafter provided, and, upon*
24 *such terms as the Administrator may prescribe, to make*
25 *commitments for the insuring of such mortgages prior to*

1 the date of their execution or disbursement thereon: Pro-
2 vided, That the aggregate amount of principal obligations
3 of all mortgages insured under this title shall not exceed
4 \$2,800,000,000 except that with the approval of the Presi-
5 dent such aggregate amount may be increased to not to
6 exceed \$3,800,000,000: Provided further, That no mort-
7 gage shall be insured under this title after June 30, 1947,
8 except (A) pursuant to a commitment to insure issued on
9 or before June 30, 1947, or (B) a mortgage given to re-
10 finance an existing mortgage insured under this title and
11 which does not exceed the original principal amount and
12 unexpired term of such existing mortgage: And provided
13 further, That the Administrator shall, in his discretion, have
14 power to require the availability for rental purposes of
15 properties covered by mortgages insured under this title, in
16 such instances and for such periods of time as he may
17 prescribe."

18 (b) Section 603 (b) (2) of the National Housing
19 Act, as amended, is hereby amended to read as follows:

20 "(2) involve a principal obligation (including such
21 initial service charges, appraisal, inspection, and other
22 fees as the Administrator shall approve) in an amount
23 not to exceed 90 per centum of the Administrator's esti-
24 mate of the necessary current replacement cost (including
25 the land, such initial service charges, appraisal, inspec-

1 *tion, and other fees as the Administrator shall approve)*
2 *of a property, urban, suburban, or rural, upon which*
3 *there is located a dwelling designed principally for resi-*
4 *dential use for not more than four families in the*
5 *aggregate, which is approved for mortgage insurance*
6 *prior to the beginning of construction. The principal*
7 *obligation of such mortgage shall in no event, however,*
8 *exceed—*

9 *“(A) \$5,400 if such dwelling is designed for*
10 *a single-family residence, or*

11 *“(B) \$7,500 if such dwelling is designed for*
12 *a two-family residence, or*

13 *“(C) \$9,500 if such dwelling is designed for*
14 *a three-family residence, or*

15 *“(D) \$12,000 if such dwelling is designed for*
16 *a four-family residence:*

17 *Provided, That the Administrator may, if he finds that*
18 *at any time or in any particular geographical area it*
19 *is not feasible, within such limitations of maximum*
20 *mortgage amounts, to construct dwellings without sacri-*
21 *fice of sound standards of construction, design, or*
22 *liability, prescribe by regulation or otherwise higher*
23 *maximum mortgage amounts not to exceed—*

24 *“(A) \$8,100 if such dwelling is designed for*
25 *a single-family residence, or*

1 “(B) \$12,500 if such dwelling is designed for
2 a two-family residence, or

3 “(C) \$15,750 if such dwelling is designed for
4 a three-family residence, or

5 “(D) \$18,000 if such dwelling is designed for
6 a four-family residence.”

7 (c) Section 603 (b) (5) of the National Housing Act,
8 as amended, is hereby amended to read as follows:

9 “(5) bear interest (exclusive of premium charges
10 for insurance) at not to exceed 4 per centum per annum
11 on the amount of the principal obligation outstanding at
12 any time.”

13 (d) Section 603 (c) of the National Housing Act, as
14 amended, is hereby amended (1) by striking out of the third
15 sentence the word “emergency” and inserting in lieu thereof
16 the words “shortage of housing”, and (2) by striking out
17 the last sentence thereof and inserting in lieu thereof the
18 following sentence: “The Administrator shall prescribe such
19 procedures as in his judgment are necessary to secure to
20 veterans of World War II, and their immediate families,
21 and to hardship cases as defined by the Administrator, pref-
22 erence or priority of opportunity to purchase or rent prop-
23 erties covered by mortgages insured under this title.”

24 (e) Section 604 (b) of the National Housing Act, as
25 amended, is hereby amended by striking out the words “ap-

1 *praised value of such property as determined by the Ad-*
2 *ministrator” and inserting in lieu thereof the following:*
3 *“Administrator’s estimate of the necessary current replace-*
4 *ment cost”.*

5 *(f) Section 608 (b) of the National Housing Act, as*
6 *amended, is hereby amended:*

7 *(1) by amending paragraph numbered (2) thereof to*
8 *read as follows:*

9 *“(2) Preference or priority of opportunity in the occu-*
10 *pancy of the mortgaged property for veterans of World War*
11 *II and their immediate families, and for hardship cases as*
12 *defined by the Administrator, shall be provided under such*
13 *regulations and procedures as may be prescribed by the*
14 *Administrator.”;*

15 *(2) by striking out “\$1,350” and inserting in lieu*
16 *thereof “\$1,600”; and*

17 *(3) by striking out “reasonable replacement cost” and*
18 *inserting in lieu thereof “necessary current replacement cost”.*

19 *(g) Section 608 (c) of the National Housing Act, as*
20 *amended, is hereby amended by inserting in the third sentence*
21 *before the semicolon at the end of clause (C), the following:*
22 *“and any mortgage insurance premiums paid after default”.*

23 *SEC. 11. (a) The last paragraph of section 2 (e) of*
24 *the Emergency Price Control Act of 1942, as amended (50*
25 *U. S. C. 902 (e)), shall not apply to subsidies, pursuant to*

1 section 5d (3) of the Reconstruction Finance Corporation
2 Act, as amended (15 U. S. C. 606b (3)), in the form of
3 premium payments used only to the extent that the Housing
4 Expediter (after considering all available means) finds them
5 temporarily necessary to increase the supply of materials for
6 the veterans' emergency housing program and for other con-
7 struction, maintenance, and repair essential to the national
8 well-being: Provided, That not more than \$600,000,000 shall
9 be used for such premium payments.

10 (b) The following standards shall be applied by the
11 Housing Expediter to premium payments:

12 (1) Premium payments shall be used temporarily only
13 with relation to additional units of production beyond that
14 otherwise attainable, where such premium payments are
15 necessary to stimulate such additional production with greater
16 rapidity, economy, or certainty than other available methods.

17 (2) The value of the units of production to which
18 premium payments are applied (A) in the case of any
19 new producer (except of new type materials) shall not ex-
20 ceed 50 per centum of the value at the producers' level of
21 the output of such producer, and (B) in the aggregate shall
22 not exceed 30 per centum of the value at the producers' level
23 of all materials needed for the veterans' emergency housing
24 program and for other construction, maintenance, and repair
25 essential to the national well-being. The average rate of

1 premium payments shall not exceed 25 per centum of the
2 value of the units of production to which they are applied.

3 (3) Premium payments shall wherever feasible be ap-
4 plied at a uniform rate within any industry requiring them,
5 rather than at varying rates for each producer.

6 (4) The stimulation of necessary additional production
7 by premium payments shall place emphasis upon avoiding
8 either economic dislocations or adverse effects upon established
9 business.

10 (5) New type materials to which premium payments are
11 applied shall be tested for sound quality.

12 (c) Not more than \$25,000,000 of the funds made
13 available under this section may be used to the extent that
14 other funds are unavailable for the construction of access
15 roads to standing timber on lands owned by or under the
16 jurisdiction of an agency of Government.

17 SEC. 12. (a) The powers vested in the Reconstruction
18 Finance Corporation pursuant to clause (a) of section
19 5d (3) of the Reconstruction Finance Corporation Act, as
20 amended (15 U. S. C. 606b (3)), may be used to under-
21 write or guarantee markets for new type building materials
22 and prefabricated houses, but only to the extent that the
23 Housing Expediter finds this necessary to assure a sufficient
24 supply for the veterans' emergency housing program: Pro-
25 vided, That the number of prefabricated houses covered by

1 *outstanding underwriting or guaranty (including such houses*
2 *as may be held by the Housing Expediter) shall at no time*
3 *during the program exceed two hundred thousand.*

4 *(b) The following standards shall be applied by the*
5 *Housing Expediter to such underwriting or guaranty:*

6 *(1) To avoid impairment of established enterprises, new*
7 *type materials and prefabricated houses shall be encouraged*
8 *only to supplement such expanded production of conventional*
9 *type materials and houses (with access to available materials)*
10 *as can be achieved with sufficient rapidity and economy.*

11 *(2) There shall be reasonable prospect of either (A) full*
12 *return to the Government of any funds involved in such*
13 *underwriting or guaranty, or (B) net cost to the Government*
14 *substantially lower than under any other available method of*
15 *achieving the necessary expansion of production. Toward*
16 *this end, the underwriting or guaranty of such materials or*
17 *houses shall not be for the full amount of the producers' stand-*
18 *ard delivery price. The Housing Expediter shall maintain*
19 *constant review of experience toward the objective that the*
20 *total net costs to the Government shall in no event exceed 5*
21 *per centum of the total amount of underwriting or guaranty*
22 *undertaken.*

23 *(3) There shall be clear evidence that the new type*
24 *materials or prefabricated houses require underwriting or*

1 guaranty only temporarily until they attain general market
2 acceptability.

3 (4) Emphasis shall be placed upon avoiding either
4 economic dislocations or adverse effects upon established
5 business.

6 (5) New type materials and prefabricated houses shall
7 be tested for sound quality and (in the case of such houses)
8 for durability, livability, and safety.

9 (6) Any underwriting or guaranty shall require ade-
10 quate showing by the producer that he has sufficient working
11 capital and experience, and that he can achieve the desired
12 production on time under conditions satisfactory to the Hous-
13 ing Expediter.

14 SEC. 13. If any provision of this Act or the application
15 of such provision to any person or circumstances shall be
16 held invalid, the validity of the remainder of the Act and
17 the applicability of such provision to other persons or cir-
18 cumstances shall not be affected thereby.

Amend the title so as to read: "An Act to expedite the availability of housing for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new and existing housing and real estate, and for other purposes."

Passed the House of Representatives March 7, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

79TH CONGRESS
2D SESSION

H. R. 4761

[Report No. 1130]

AN ACT

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

MARCH 8 (legislative day, MARCH 5), 1946
Read twice and referred to the Committee on
Banking and Currency

APRIL 5 (legislative day, MARCH 5), 1946
Reported with amendments

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued April 9, 1946
For actions of April 8, 1946
79th-2nd, No. 63

CONTENTS

Appropriations.....9	Information.....18	Price control....7,14,17
Canneries.....21	Insect control.....8	Property, surplus.....19
Congressional powers.....5	Labor.....24	Reclamation.....23
Crop insurance.....13	Labor, farm.....2	School lunch.....6
Dairy industry.....11,17,20	Labor secretariat.....3	Subsidies.....11
Farm credit.....1	Livestock & meats.....17	Veterans.....10,19
Health.....22	Marketing.....15	Wheat.....12
Housing.....10	Parity formula.....2	Wool.....15,16
	Personnel.....4	

HIGHLIGHTS: House Rules Committee cleared new Cooley farm-credit bill. House passed and sent to President bill to provide for Under Secretary and 3 Assistant Secretaries of Labor. House sent Federal pay bill to conference. House Agriculture Committee reported revised bill to regulate marketing of economic poisons and devices. Senate passed 2nd appropriation rescission bill. Senate committee reported with amendment Wagner-Ellender-Taft housing bill. Senate debated Patman housing bill, which provides for price control and subsidies.

HOUSE

1. **COOLEY FARM-CREDIT BILL.** The Solicitor's Office has prepared a summary of the changes made in the new Cooley bill (H. R. 5991) as compared with the previous bill (H. R. 2239). The summary is attached to this Digest.
The Rules Committee cleared this bill (pp. 3375-6).
2. **FARM LABOR; PARITY FORMULA.** Rep. Crawford, Mich., spoke in favor of including farm labor in the parity formula (pp. 3360-1).
3. **LABOR SECRETARIAT.** Passed without amendment S. 1298, to provide for an Under Secretary and three Assistant Secretaries of Labor (pp. 3359-64). This bill will now be sent to the President.
4. **FEDERAL PAY BILL.** Reps. Randolph, Jackson, Miller of Calif., Rees of Kans., and Byrnes of Wis. were appointed House conferees on this bill, S. 1415 (p. 3375). Senate conferees were appointed April 5.
5. **CONGRESSIONAL POWERS.** Rep. Scrivner, Kans., said "Congress has abdicated" and "must reassume its constitutional power" (pp. 3378-80).
6. **SCHOOL LUNCH PROGRAM; EDUCATION.** Rep. Harless, Ariz., spoke in favor of the school lunch bill and Federal aid to education (pp. 3381-2).
7. **PRICE CONTROL.** Rep. Hook, Mich., criticized NAM for opposing price-control continuation (pp. 3382-4).
8. **INSECTICIDES, etc.** The Agriculture Committee reported with amendment H. R. 5645, to regulate the marketing of economic poisons and devices (H. Rept. 1887) (p. 3385).

9. 2ND APPROPRIATION RESCISSION BILL. Passed as reported this bill, H.R. 5604, which includes a rescission for emergency supplies for territories and possessions of \$3,800,000 (pp. 3351-2). Sens. McKellar, Glass, Hayden, Tydings, Russell, Brook, Bridges, and Guffey were appointed conferees (p. 3352).
10. HOUSING. The Senate Banking and Currency Committee reported with amendment S. 1592, to establish a national housing policy and provide for its execution (S.Rept. 1131) (p. 3329).
 Began debate on H. R. 4761, the Patman housing bill (pp. 3332-50). The committee had inserted provisions for price control and subsidies. During the debate Sens. McClellan, Ark., and Barkley, Ky., discussed lumber prices and production (pp. 3328-9).
 Passed as reported H. J. Res. 328, to make additional appropriations for veterans' housing (pp. 3350-1).
11. MILK SUBSIDIES. Sen. Mead, N. Y., inserted a N. Y. Legislature resolution favoring continuation of milk subsidies (p. 3328).
12. WHEAT ORDER. Sen. Capper, Kans., inserted a Kansas Bakers Association resolution opposing the proposal to restrict delivery of flour to bakers to 75% (p. 3328).

BILLS INTRODUCED

13. CROP INSURANCE. H. R. 6038 and 6039, to amend the Federal Crop Insurance Act. To Agriculture Committee. (p. 3385.)
14. PRICE CONTROL. H. R. 6042, by Rep. Spence, Ky., to amend the Price Control and Stabilization Acts. To Banking and Currency Committee. (p. 3385.)
15. WOOL MARKETING. H. R. 6043, by Rep. Granger, Utah, to provide support for wool, to include wool under the Agricultural Marketing Agreement Act of 1937, and to authorize the Secretary of Agriculture to fix wool standards. To Agriculture Committee. (p. 3385.)
16. WOOL PRODUCTION AND IMPORTS. H. R. 6044, by Rep. Robertson, N. Dak., to increase and stabilize U. S. wool production and to further stabilize raw-wool importation. To Agriculture Committee. (p. 3385.)

ITEMS IN APPENDIX

17. PRICE CONTROL. Rep. Celler, N. Y., inserted George R. LeSavage's (National Restaurant Assn.) statement before the House Banking and Currency Committee criticizing the method of application and enforcement of OPA regulations and orders (pp. A2088-9).
 Rep. Larcade, La., inserted a La. paper article blaming OPA for the output of bad milk (pp. A2112-3).
 Extension of remarks of Rep. Miller, Nebr., criticizing OPA policies relating to the meat industry (pp. A2113-4).
 Rep. Dolliver, Iowa, inserted Gov. Robert D. Blue's (Iowa) letter criticizing OPA's inequalities in prices paid to farmers for butterfat as destroying the butter-making industry in Iowa (p. A2119).
 Extension of remarks of Rep. Buffett, Nebr., summarizing the alternatives facing Congress on the question of OPA extension (pp. A2124-5).

There being no objection, the resolution (S. Res. 251) was received and referred to the Committee on Education and Labor, as follows:

Resolved, That a special committee of five Members of the Senate, to be appointed by the President pro tempore of the Senate, is authorized and directed to make a full and complete study and investigation to determine the effect of reconversion and the transition from a war economy to a peacetime economy upon the employment opportunities of minority groups, particularly the colored citizens of the Nation. The committee shall report to the Senate from time to time the results of its study and investigation together with such recommendations as it deems desirable. The first report of the committee shall be made not later than 90 days after the date of its appointment.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-ninth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

TRIBUTE TO THE LATE LT. COMDR. JOHN D. DALZELL

Mr. JOHNSON of Colorado. Mr. President, I wish to pay a brief tribute to the late Lt. Comdr. John D. Dalzell, of the Navy Flying Corps, a Denver boy. For several years one of the outstanding members of this branch of the Navy, he rose through the various grades to the rank of lieutenant commander. He was an expert in aviation, both as an aeronautical engineer and a flier. Before the war, with his own hands he built several planes in which he flew. Modest and unpretentious, he possessed courage, initiative, and daring, and in addition to being an excellent officer and aviator, he was a devoted son and brother.

It was a great shock to his family and his large circle of friends and admirers when last Thursday, while flying eastward from Arizona, from some cause yet undetermined, his plane crashed in New Mexico, and all 11 on board were killed.

In Lieutenant Commander Dalzell's passing the country loses a superb and valiant officer, his family an affectionate son and brother, and his State an outstanding, patriotic citizen, who gave great promise of becoming one of her most noted aeronautical engineers.

RELATIONSHIP BETWEEN OFFICERS AND ENLISTED MEN IN THE ARMY—LETTER FROM GEORGE R. POOLE

Mr. HOEY. Mr. President, I ask unanimous consent to present and to have inserted in the body of the RECORD a letter written to me by George R. Poole, a very splendid soldier from North Carolina, who served for more than 5 years in the Army, both in this country and

abroad. He discusses some plans which might be adopted to democratize the Army, and I think his suggestions are valuable.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

KURE BEACH, N. C., April 4, 1946.
Hon. CLYDE HOEY,
United States Senate,
Washington, D. C.

DEAR SENATOR HOEY: After more than 5 years' service as an Army officer, both in America and overseas, I am convinced that certain unnecessary inequalities do exist in the relationship of officers and enlisted men in the Army. These inequalities, in my considered judgment, can be corrected by appropriate congressional action, and their correction, I am sure, would be not only in the public interest, but would at the same time do much to allay public criticism of Army and its officers, which is recognized as being detrimental to our prestige among other peoples.

During the war years, as a major and lieutenant colonel, I commanded both battalions and regiments, and these commands afforded me an opportunity to closely observe the conduct and standards of several hundred officers and thousands of enlisted men. I can say, without reservation, that the very great majority of officers who have served under my command, were genuinely interested and concerned with the welfare of their enlisted personnel; yet time-worn Army regulations and ancient "customs of the service" too often operate to unnecessarily segregate officers from their men, and create the impression in the minds of some of these men that their officers are unconcerned with anything but their own special privileges.

It has been my experience that very few enlisted men question the fact that officers must lead them in the Army and there is little controversy over the matter of discipline, it being generally recognized as necessary; but there is great and bitter resentment on the part of nearly all enlisted men over the social inequality that "customs of the service" enforce against them and their families.

There is simply no justification in a modern democratic state for a social system implicit in the phrase "officers and their ladies and enlisted men and their wives," and the practice of complete social segregation of the two groups. Nor is the phrase "officer and gentleman" with its implication that enlisted men are not gentlemen, anything but repugnant to any fair-minded officer. I believe that all reference to "officer and gentleman" should be deleted from the Articles of War and all War Department publications, social segregation should be prohibited on Army posts, and that democratic social practices would result if all Regular Army officers were required to reside 1 out of every 3 years, in peacetime, in civilian communities.

The use of the hand salute as a salutation should be prohibited except when the soldier is on duty. Requiring the salute from soldiers in civilian communities when they are on pass and often accompanied by their families, is unnecessary and in spite of anything said to the contrary, is a mark of servility under those circumstances.

The Army's Articles of War should be completely revised at the earliest practicable date. These articles and the offenses they enumerate date from the time of the Revolution, and in spite of the 1928 revision, are extremely archaic. They clearly set forth one law for officers and another for enlisted men. They should be rewritten so that any offense and its punishment are applicable to all military personnel, commissioned or enlisted.

The requirement that the Articles of War periodically be read to enlisted men (but not

to officers) dates back to the time when most soldiers were illiterate and could not read. This practice is an insult to the intelligence of the modern American soldier and should be stopped.

I believe that legally trained enlisted men should be eligible to be seated as members of courts' martial in cases involving enlisted personnel, and that summary courts, as now provided for, should be abolished altogether since few summary court officers have any legal training. Instead, I would strongly recommend that a legally qualified officer of the Judge Advocate General's Department be appointed as summary court to try all such cases in a given post or major command.

I urge that Congress require by law that officers wear the same uniform as enlisted personnel with the exception of rank insignia. The present Army uniform is well designed, but the wearing of tailored uniforms of varying color shades by officers is another Army practice that tends to accentuate segregation of officers and enlisted personnel.

In my opinion, separate officers' messes, except at officers' clubs, should be forbidden. In organizations that I have commanded, officers were invariably closer to their men and had their confidence to a greater degree when they ate with them every day. This is particularly true of company grade officers.

Use of military vehicles and hotels by officers for social purposes to the exclusion of enlisted personnel has been abused in overseas theaters as I have personally observed. Corrective action should be taken to make these facilities available to the officers and enlisted men alike on a percentage basis; 90 percent to enlisted personnel and 10 percent to commissioned. There would likewise appear to be no logical reason why enlisted men should not be able to accrue furlough time in the same manner leave is accrued by officers.

I respectfully urge your consideration of these somewhat lengthy comments, and assure you they are the result of much serious thought. In the event you feel that they would be of interest to the committee of Congress now considering these matters, their submission to that body will be appreciated.

Yours very truly,

GEORGE R. POOLE.

PUBLIC SERVICE OF SENATOR MITCHELL OF WASHINGTON

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an article written by Ross Cunningham and published in the Seattle Times relative to the public service of Senator MITCHELL, of Washington, which appears in the Appendix.]

LEGISLATIVE PROGRAM OF THE NATIONAL GRANGE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD the legislative program adopted by the seventy-ninth annual session of the National Grange, at Kansas City, Mo., which will appear hereafter in the Appendix.]

HISTORY OF THE AIR-MAIL SERVICE

[Mr. McKELLAR asked and obtained leave to have printed in the RECORD data prepared by E. W. Cooper, relative to the history of the air-mail service and a speech delivered by Postmaster General Walker at San Francisco on September 8, 1944, which appear in the Appendix.]

PROPOSED CONGRESSIONAL INVESTIGATION OF SURPLUS PROPERTY

[Mr. CARVILLE, by request, asked and obtained leave to have printed in the RECORD a statement entitled "Amvets Ask for Congressional Investigation of Surplus Property," which appears in the Appendix.]

THE FARMER AND STRIKES

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "The Farmer and the Sit-down Strike," published in the Progressive Farmer of Raleigh, N. C., and an article entitled "Let Labor Respect the Farmer's Rights," by H. E. Robins, also published in the Progressive Farmer, and an article entitled "Outlaw Strikes," written by Maurice R. Franks, editor of the Railroad Workers' Journal, which appear in the Appendix.]

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. BARKLEY. Mr. President, I desire to discuss briefly the bill that is now pending before the Senate, known as the Veterans' Emergency Housing Act. I might say that the Committee on Banking and Currency has had two housing bills before it, one the Wagner-Ellender-Taft bill, which has been pending for many months, and upon which exhaustive hearings were held, and which was reported today unanimously by the Committee on Banking and Currency, and which I hope will be taken up immediately upon the conclusion of the action on the bill now before the Senate.

The bill now pending is House bill 4761, which is designed to facilitate and hasten the construction of houses and housing facilities for veterans.

As I said a moment ago, the Committee on Banking and Currency has just reported unanimously the Wagner-Ellender-Taft bill, and it reported unanimously the bill which is now before the Senate, with, of course, some reservations on the part of some Senators to vote on the floor for amendments or to feel free to vote as they chose. Of course, that is always the rule, anyway, without any reservations being made.

The bill now before us is strictly a veterans' housing bill. It takes into consideration the enormous shortage of houses generally in the United States, which has been accumulating for a number of years because there have been practically no houses built since before the war. As our population has increased and the number of families has increased, as it always does in a growing population, the supply of houses has not kept up with the need for houses. That would be true if there had been no war, provided the rate of marriages and births should have continued during the war period and up until now at the same rate, or approximately the same rate, they have increased with the war being in progress.

At the beginning of 1946 there were 1,200,000 families living in what we call doubled-up accommodations in the United States. In other words, they were living two families to a house or an apartment. In most cases these doubling-up processes inevitably take place among families of moderate or low incomes, and also among families where the birth rate may be greater than the

average or greater than it would be among those who live in higher-priced houses.

This bill does not deal with the 1,200,000 doubled-up families as of January 1. They are left as they were, because we do not attempt in this legislation to provide for their dispersion, or for the facilities making their dispersion possible from doubled-up housing accommodations. Of course, the 1,200,000 are not all veterans. Many of them are, but not all of them.

The official estimate is that 4,132,000 additional dwelling units will be required during the 2-year period between January 1, 1946, and December 31, 1947. One million and fifty-five thousand of the required units will be provided through existing vacancies or new vacancies, that is, by people moving from one residence into another, or as the result of deaths, removals, or other causes. Of course, the existing vacancies and the new vacancies do not last long. When a house or apartment becomes vacant, even though it may be vacant for only a day or a week, it is counted as a vacancy. Someone will move into it, and it will no longer be vacant; but statistically it is a vacancy, and is counted in the 1,055,000 vacancies, regardless of the length of the vacancy. During the 2-year period existing vacancies and new vacancies will reduce the number of dwelling units of new construction which are needed during the 2-year period to 3,077,000.

The supplying of these accommodations could not even be approximated, we think, without the provisions of this bill, which contemplates the beginning of 2,700,000 units during 1946 and 1947, 1,200,000 in 1946, and 1,500,000 in 1947, which makes a total of 2,700,000 housing units for veterans. Of the 2,700,000 started in the 2-year period, 2,319,000 or 2,320,000 will be completed. The remainder of the program will probably hang over for completion beyond the 2-year period.

That will still leave, at the end of 1947, approximately 1,958,000 dwelling units in which there will be a doubling up of those living in those units. Assuming that there will be only 2 families to each house where there is a doubling up, that means that even with our program complete, approximately 4,000,000 families will be living under conditions of doubling-up at the end of 1947. Even with the veterans' emergency housing program carried forward to fullest extent, at the end of 1947 4,000,000 families will be living under conditions of doubling-up.

I mention these facts, Mr. President, in order to emphasize the great need for expediting the construction of housing facilities for the people of the United States. In order that we may accomplish the modest program upon which we have set out, more houses will have to be constructed or commenced, at least, in 1946 than were commenced in 1925, which was the peak of all years in the history of the United States in house building. Fifty percent more houses must be started in 1947 than were started in 1925. More than four times as many houses must be started in 1946 as in 1945, last year, and almost six and a half times as many houses must be started in 1947 as were started in 1945.

The total volume of construction, including other than essential construction as well as veterans' housing, must increase at unprecedented rates of growth during 1946 and 1947. Looking back over a period of 25 years, the greatest rate of growth from any one year to the next succeeding year was 42.6 percent. We now need to expand total construction for 1946 by 87 and a fraction percent over 1945, and 51 percent in 1947 over 1946. We must do that in order to accomplish the program, modest as it is and inadequate as it will prove to be from the standpoint of housing as a whole during 1946 and 1947.

In order that we may do this tremendous increases must be stimulated and brought about in the production of essential materials to enter into the building of those houses. We shall need more lumber in 1947, for example, than was made available or produced during the war year of 1942, when we were building cantonments, barracks, and all sorts of facilities for war purposes, which required vast quantities of lumber. We shall need more lumber in 1947 than was available or produced and used for all purposes in 1942.

In these days of modern construction plywood has become a very useful and essential material in the construction of houses. Plywood is made largely of softwood. We shall have to have twice as much softwood plywood in 1946 as was produced in the year 1945 and almost twice as much in the year 1947 as was available in the year 1942.

Now, let us consider common face brick, which, of course, is essential in the construction of houses. We must accelerate the 1945 rate of producing brick by two and one-half or three times, and we shall have to do the same in 1947.

Of cast-iron radiation we must make four times as much as we did in 1945.

Of gypsum board and lath we must in 1946 almost double the 1945 production.

For most of these commodities, in 1947 we must produce more than was produced in the peak years of the past.

In order to obtain sufficient production of essential materials, it will be necessary to have an unusual and extraordinary rate of acceleration in the production of the commodities which not only are essential to the increase of our housing units in the way of individual houses or apartments for veterans, but are also necessary in order that ordinary construction may have any chance at all to go forward. In short, we must increase the accelerated rate of producing these materials more than is merely necessary in order to build houses for veterans. We must accelerate the rate of production sufficiently to provide a chance for other construction, in addition to the houses which are provided for under this measure.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. WHERRY. Under the price-fixing program, will it be possible by means of

incentives to obtain the production of nearly twice as many houses of this particular type as were produced in 1945, and still be possible to make inducements which will provide lumber for purposes other than the construction of the houses provided for by the pending measure? Is that contemplated in this program?

Mr. BARKLEY. Yes; I say to the Senator from Nebraska that with the premium payments which I shall discuss a little later, we shall be able to accelerate the production of all these materials which are in short supply. That will be done by offering a premium for their accelerated production. The premium will be offered for the amount which is produced in addition to the normal production and in addition to the present production. In that way we shall be able to bring about the production of the materials essential to carrying out this program.

Let me also say that we do not contemplate that there will not be some price adjustments up and down the line in regard to these materials.

Mr. WHERRY. Is there anything in the hearings to indicate that there will be price adjustments?

Mr. BARKLEY. Yes.

Mr. WHERRY. The Senator from Kentucky mentioned brick. I know that our Small Business Committee has held several hearings with respect to brick. We obtained one increase. But in my State today there are brickyards which are not operating because of the low price of brick. Will the price be made flexible, or will entire dependence be placed upon a subsidy which is considered an incentive?

Mr. BARKLEY. No; for brick and other materials both incentive payments and price increases in some cases are contemplated. I think it is contemplated that there will be an increase. Whether as much as is desired will be obtained, I do not know. I cannot answer yes, because I do not know what the increase will be. But it is not intended that we shall rely altogether and solely upon incentive payments. They are to be accorded to those who step up their production, and they are to be accorded for the part of production which is stepped up. But that does not bar increases or adjustments on building material prices, through the OPA.

Mr. WHERRY. It is true that such price-increase applications are before the Administrator of the OPA. But they are at the vertical level, as I understand, in the areas of production.

Does the Price Administrator contemplate that there will be an industry-wide increase in prices, or is the only increase that is contemplated, so far as price relief is concerned, an increase made on the basis of individual applications in areas that are now before the Price Administrator? There is a great deal of difference between individual price adjustments and price adjustments or increases on an industry-wide basis. It has been my position, and, I think, that of many others, that if we had flexible prices for brick, sewer pipe, and so forth, that would be the best way to obtain the desired production.

Is the program for incentives based solely upon the desire to obtain production of the particular brick which is needed for the construction of the houses contemplated by the pending measure, or will an incentive be offered for the production of materials for all types of construction, in addition to the construction of the houses dealt with by the pending measure, in order to obtain production clear through the lumber industry and the house-building industry?

Mr. BARKLEY. I cannot speak for the Administrator of the OPA. However, I know that the building and housing Expediter, Mr. Wilson Wyatt, testified on this matter. No one from the OPA appeared with reference to this measure before the committee, although it was not necessary or essential that that be done, and we did not ask anyone to do it. But such increases as are granted may partake of two types. They may be over-all increases, industry-wide, or they may be individual increases granted in cases of hardship. For instance, I think separate applications for increases have been made to the OPA by the Western Pine Association and the Southern Pine Association. I imagine, although I cannot say with certainty, that whatever increases are granted will be granted for all the types of lumber which come under the Western Pine Association and the Southern Pine Association, and not simply as individual increases to individual firms, although both might be granted.

Mr. WHERRY. Mr. President, there is nothing in the hearings to indicate that any industry-wide increases are expected. I admit I was able to read the hearings only hurriedly and I wished to take up this matter with the Senator as he made his statement. But so far as I could determine from the hearings, the increases will be at the vertical level.

Mr. BARKLEY. There is no testimony to indicate that there will not be, either.

Mr. WHERRY. I understand.

Mr. BARKLEY. In other words, we did not go into that matter, except that we asked Mr. Wyatt about it. I think he even volunteered the information that he would expect that there would be adjustments in the prices of building materials, and that incentive payments are to be allowed only in cases of shortages which cannot otherwise be made up, in order that this program may go forward.

Mr. WHERRY. In the event that no industry-wide price increase is made and that the needed production is not obtained, then we shall have to rely entirely upon the incentive payments in the effort to obtain the necessary production of the building materials needed for this program.

I should like to ask the Senator this question: Does he contemplate the use of incentive payments to increase the production of materials to be used for building outside of this program, so that it will be possible to have supplies in the lumberyards all over the United States?

Mr. BARKLEY. Incentive payments are to be made with respect to all accelerated production which is above and

beyond the normal or beyond what can otherwise be expected. If the veteran's housing program could be completed without using all the materials produced by reason of the incentive payments, the remainder would be available for use for other construction which might occur in the United States.

Mr. WHERRY. Mr. President, I should like to make a closing observation. I wish to say to the distinguished majority leader that it is the opinion of those of us who have held numerous hearings on the question of price-fixing on lumber that at this time the United States is in the most serious lumber-production crisis it has ever experienced. It has been clearly demonstrated that the difficulty is a question of price. It is my opinion and, I think, the opinion of our committee, that there must be a flexible price structure, not only by means of incentive payments, but otherwise, if it is hoped to obtain anywhere near the amount of lumber which will be needed for the construction of 2,300,000 homes. Certainly price adjustments should be made, and an opportunity should be afforded all the sawmills in the country to produce lumber not only for the construction of the particular types of homes to which reference has been made, but for use by the building industry Nation-wide.

Mr. BARKLEY. Mr. President, some testimony was heard. We did not go into great detail. Further detail will perhaps be gone into when the OPA hearings start, which will be on next Monday. Of course, there is a legitimate controversy as to whether the necessary amount of building materials of all kinds can best and most speedily be obtained by price increases alone, or by incentive payments plus whatever price increases may come along in the natural course of events. But, taking into consideration the entire question of building materials, the Senator will realize that it would require an extremely long time to work out price adjustments with regard to all building materials so as to bring about an acceleration in the production of such materials in time to carry out the proposed program, even assuming that ultimately increased prices will be granted to such an extent as to induce the construction of every building that may be necessary.

Mr. WHERRY. I thank the distinguished Senator for the explanation which he has given. However, allow me to refer to a situation which I have in mind. Take, for example, the application for an increase in western pine price order to which the Senator has referred. The application for the increase has been fought through the different branches of Government for more than a year, and unless it has been changed within the past few days the order still is in effect. It seems to me that when we announce a program of this kind, private enterprise should have an opportunity to produce bricks, cast iron, and lumber which will permit the construction of necessary buildings. The present administration has denied such right. Now we are to give an incentive which will produce needed building ma-

terials and lumber. Of course, that is one method of obtaining production. But unless we have a price-fixing program which will permit the production of lumber at the mills, all the incentives which may be offered will not produce the lumber that will be required. We must have a pricing system which will permit the production of lumber, cast iron, bricks, and so forth.

I hope that when hearings on the OPA bill are held, an opportunity will be afforded members of the lumber industry, and the producers of bricks to testify concerning the difficulties which they have had in obtaining adequate prices at the mills and at the brickyards on the basis of a flexible price program which would permit the achievement of a normal and ordinary production.

Mr. BARKLEY. Mr. President, I do not wish to enter into any discussion of what the administration has or has not done. It is easy for us to be drawn into a discussion of the virtues or shortcomings of the administration. I do not wish to get into such a discussion. The pending bill is not a political bill. It was reported by the committee without regard to politics. But, as I have already stated, we will begin hearings in the Banking and Currency Committee next Monday with reference to the subject of the extension of the OPA. I have no doubt that the persons to whom the Senator has referred will be present for the purpose of being heard, and we shall be very glad to hear them. We wish to find out the facts in regard to the matter.

In the pending bill one of the powers given to the Expediter is to—and I read from paragraph 2 on page 22 of the bill:

Issue such orders, regulations, or directives to other executive agencies (including the Office of Economic Stabilization and the Office of Price Administration) as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs.

So, in the proposed legislation we are giving the Expediter authority to issue directives and orders to the OPA and to the Stabilization Director in regard to various matters, including price adjustments. If the Expediter finds such directions or orders to be necessary and consistent in carrying out the program.

Mr. WHERRY. So this authority would give Mr. Wyatt the power to establish a production price which may be shown by the hearings to be necessary in order to obtain production.

Mr. BARKLEY. Yes; he would have authority to do that. If the Expediter finds that in addition to the incentive payments for which provision is made, price adjustments are also necessary, or if he finds that by allowing fair and adequate adjustments, production could be brought about without the incentive payments, he will have authority to direct that such adjustments be made.

Mr. OVERTON. Mr. President, I should like to ask the Senator from Kentucky a question with respect to the priority provisions in connection with this bill. I read section 4 (a) of the bill.

Mr. BARKLEY. To what page of the bill does the Senator refer?

Mr. OVERTON. I am reading from page 27, beginning in line 24.

Mr. BARKLEY. Very well.

Mr. OVERTON. The language reads as follows:

Whenever in the judgment of the Expediter there is a shortage in the supply of any materials or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this act.

Is it the Senator's opinion that the language which I have read constitutes a very broad authority on the part of the Expediter?

Mr. BARKLEY. It does give him a broad authority.

Mr. OVERTON. Is it contemplated by this language that he shall have authority to establish priorities for building materials necessary for the construction of veterans' homes to the exclusion of building materials for other purposes?

Mr. BARKLEY. If the Senator will read section 4 (b), the next paragraph, he will find the following language:

(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, (2) the need for the construction and repair of essential farm buildings, and (3) satisfying the housing requirements of veterans of World War II and their immediate families. In order to assure preference or priority of opportunity to such veterans or their families, the Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families.

In other words, he has a broad discretion in issuing those priorities. But the subsection following emphasizes the things which he must take into consideration in exercising authority over priorities. Of course, the Senator must realize that this bill is fundamentally, essentially, and primarily a bill for the construction of housing accommodations for veterans.

Mr. OVERTON. That I think is a question, at issue, and I wanted the opinion of the majority leader. Taking subsection (b), which the Senator has just read, does that in any way militate against the authority of the Expediter to direct priorities for building materials for veterans' homes? When subsection (b) says that the Expediter shall consider "the general need for housing accommodations for sale or rent at moderate prices," that is for the whole American public, is it not, and does the public come ahead of the veterans?

Mr. BARKLEY. It is not intended that the public shall come ahead of the veterans because it is provided in that paragraph that in the case of houses constructed through priorities or through the assistance of priorities the general public shall not have an oppor-

tunity to buy until 60 days have elapsed after their completion, and, if it happens to be an apartment, that no member of the general public can rent it until 30 days have expired after its completion. In other words, the veteran is given in the case of the construction of a house 60 days following its completion, during all the period of its construction and 60 days after its completion to exercise his prior right to purchase the house, or, if it happens to be an apartment, 30 days in which to have priority for renting it.

Mr. OVERTON. I assume, then, that the Senator is of the opinion that the Expediter has sufficient authority vested in him by the provisions of this bill to require the production and delivery of sufficient material to build veterans' houses.

Mr. BARKLEY. Yes, that is true. That is the assumption upon which we are basing this proposed legislation.

Mr. OVERTON. That is the conclusion I have reached and I am very glad to hear the Senator say so.

That leads me to another question. If the Expediter has authority to require the production of building materials to construct houses for veterans, why the necessity for incentive payments?

Mr. BARKLEY. I am coming to a discussion of that question.

Mr. OVERTON. I should be glad if the Senator would discuss it in this connection.

Mr. BARKLEY. I turn to pages 38 and 39 and read from the provisions of section 11 which has something to do with that question:

SEC. 11. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended (50 U. S. C. 902 (e)), shall not apply to subsidies, pursuant to section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3)), in the form of premium payments used only to the extent that the Housing Expediter (after considering all available means) finds them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being.

The veteran has the priority, but in considering this program of accelerating the production of materials for the construction of houses or other construction, after the veterans' priority has been satisfied, the Expediter is, of course, not expected to overlook altogether other housing essentials necessary to the national well-being.

Mr. OVERTON. The \$600,000,000 authorized to be appropriated as incentive payments are to be used not only in order to provide for veterans' houses but to provide for other construction.

Mr. BARKLEY. The other construction would be incidental, I may say to the Senator. That is provided in order to assure, insofar as it can assure, the production of sufficient materials to bring about the construction of 2,700,000 veterans' houses. Whatever else might be produced over and above the materials required for them would be incidental and might be used for other purposes. But the veterans' housing situation has the first call on the materials

that will be produced by the incentive payments provided for in that section.

Mr. OVERTON. As I understand the explanation the Senator gives, the priority provision is sufficient to take care of the veterans, so far as their obtaining materials for the construction of houses is concerned, and the incentive payments could then be used in aid of other construction.

Mr. BARKLEY. No. The Senator does not get that straight. The priority of the use of materials is not one thing and the use of the incentive payments another; they both go together. The incentive payments are for the purpose of bringing about a greater production of materials. After they are produced, then the Expediter gives priority to the construction of veterans' houses. They are not separate and apart; they are linked together.

Mr. OVERTON. Of course, I can readily understand that, insofar as the producer is concerned, it would be, indeed, very agreeable to him to get an incentive payment for the production of materials; but if the Expediter can require him, unless he goes out of business, to furnish material for the construction of veterans' houses, he has sufficient authority to carry out the purposes of the act, so far as veterans' houses are concerned, without the use of subsidies.

Mr. BARKLEY. That would all depend, of course. If there were sufficient materials, without the use of subsidy premium payments, to provide these houses for veterans, we would not be here with this bill; we would not be asking for \$600,000,000. That amount is asked because there are not enough materials and because we believe there cannot be purchased enough and rapidly enough to bring about the program without the incentive payments, unless it might be done—and I would not be willing to guarantee that it could be done even in that case—by such an increase in the price of building material as to bring about the production of as much material as we hope to get by the incentive afforded by the premium payments. I might say that if we were able to do that, if there should be brought about increased prices of building materials of all kinds, whereas the bill authorizes a maximum of \$600,000,000 for premium payments, the additional cost of the materials by the increased prices made necessary, would be \$2,200,000,000 more than the \$600,000,000 provided for by the bill, and the total increased cost would fall upon the veterans who buy the houses, instead of falling as it will under the incentive payments, on the entire population of the country as a sort of war obligation.

Mr. OVERTON. I understand that, but I should like to make an observation, and for a moment to pass to something else if I may. I understand the position taken by the able Senator, but I am still inclined to the view that the exercise of the right of priority would be sufficient to get building materials for the veterans.

Mr. BARKLEY. In that connection, I should like to say that the exercise of

the power of priority is of no value unless there is something to exercise the priority over.

Mr. OVERTON. It can be exercised to a certain extent, and the producer will have to go out of business unless he does produce materials for veterans' houses.

Mr. BARKLEY. Not necessarily.

Mr. OVERTON. Is there any question about the ability of a veteran who wishes to construct a home to finance it? As I understand the law today, the Federal Housing Administration has the authority to insure a loan up to 90 percent, based on a reasonable value after an appraisal is made. In addition to that under the GI bill a second mortgage can be granted, if my recollection serves me right, up to \$4,000.

As I recall there is a further provision that after FHA makes a loan the amount which can be guaranteed under the GI bill is 20 percent of the value of the property, of the purchase price, or of the cost of construction, and so forth. Whatever the provision may be whether it is \$4,000 or 20 percent added to the 90 percent that is insured by the FHA there is abundant provision, is there not, for a veteran to finance his home under existing law?

Mr. BARKLEY. Under the GI bill the amount a veteran might receive was first fixed at \$2,000, but it has been changed to \$4,000. He may receive as much as \$4,000 to make the down payment on the home.

Mr. OVERTON. That takes the form of a second mortgage, does it not?

Mr. BARKLEY. That is correct. For instance, if a veteran buys a lot and wants to build a house on it himself, this bill revives title VI of the Federal Housing Administration Act, under which loans may be insured and the construction of the house may be insured up to 90 percent of the value thereof. We have made it 90 percent, although there were some objections to that figure. Some members of the committee desired to have it 85 percent or even 80 percent, but we made it 90 percent.

Mr. OVERTON. That is a reproduction of the FHA provision?

Mr. BARKLEY. That is title VI of FHA. So the veteran has that advantage which he may pursue.

Mr. OVERTON. Then, on top of that, he can get \$4,000 under the GI bill?

Mr. BARKLEY. He can get \$4,000 for a down payment, through the GI bill of rights.

Mr. OVERTON. Under a second mortgage?

Mr. BARKLEY. Yes. The banks which make the loan under the guaranty of the FHA take a first mortgage. They do not take second mortgages. They finance the construction and insure the loan, and then the veteran can obtain a \$4,000 second mortgage on the same property.

Mr. OVERTON. The two combined, it seems to me, would certainly be sufficient to finance any home construction or home purchase to be effectuated by any veteran.

Mr. BARKLEY. If there were plenty of materials with which to build the houses they wanted, the question of

financing would not be so difficult, but the GI bill of rights does the veteran no good unless he can get the things with which to build a house.

Mr. OVERTON. The Senator and I discussed that a few moments ago.

Mr. BARKLEY. The FHA assistance does not help him any unless he can get the materials.

Mr. OVERTON. That is correct.

Mr. BARKLEY. This bill is not designed to provide for payment of premiums on houses. The bill is not to finance houses as completed, except through the means facilitated, which are set forth. The bill primarily is to bring about the construction of sufficient materials with which to build houses which the veterans need and want and will be in a position to buy.

Mr. OVERTON. That is a matter which, in the beginning, the Senator very ably explained to me.

Mr. BARKLEY. I do not know how ably I did it.

Mr. OVERTON. Not convincingly, but very ably.

Mr. BARKLEY. I hope to be able to convince the Senator before we are through.

Mr. OVERTON. I hope so. I have not had an opportunity to read the bill, which has just been reported. I thank the Senator very much for the information he has given me.

Mr. BARKLEY. Mr. President, I wish briefly to state that the bill as it passed the House provided for an Expediter. The office of Expediter is now in existence by order of the President. The bill gives him certain authorities, certain priorities. It includes a revival and strengthening of title 6 of the FHA. We have changed that very little. We changed the title so as to make it conform more closely to the objectives of the bill.

The two outstanding provisions of the bill which have afforded ground for controversy are the premium payments and the ceilings authorized to be put upon existing houses.

I do not think anyone will deny the need for accelerating the production of building materials. We all receive letters on this subject. I receive bitter letters nearly every day from veterans and the wives of veterans who have returned to this country from the armed services and find it impossible to buy or rent a house or rent an apartment. Some of them are asking very searching and some of them very bitter questions. They say that "Uncle Sam had the power to go out in this great war and build houses, build cantonments, build camps, build barracks, build everything, but now that we have made a contribution to the preservation of our country through our sacrifices in this war, we come back to the United States and cannot find a house in which to live and raise our children."

I think the veterans understand the situation. They understand that while the war was on we could not engage in any extensive construction of houses. But now that the war is over, and has been over for nearly a year, they are beginning to wonder why it is that the same power we exercised while the war

was on cannot to some extent be exercised to provide homes for those who have come back and find none.

I do not intend to give all the figures about the shortages in different building material, but I shall give a sample or two.

In the case of common face brick, according to our capacity and our normal production, we are short approximately 18 percent.

In structural clay tile we are short approximately 27 percent.

In building blocks we are short 32 percent.

In clay sewer pipe we are short 12 percent.

In cast-iron soil pipe we are short 28 percent.

In gypsum board and lath we are short 31 percent.

In other building boards we are short 23 percent.

In cast-iron radiation we are short 52 percent.

In sinks that are to be put into kitchens and water closets we are short 39 percent.

In plywood we are short 29 percent.

And so on. There is a long list of shortages. I give these only as evidence of the fact that there is a widespread shortage of building material. The question with which we are confronted is whether we can obtain all these short materials by the normal, ordinary processes of manufacture. In some cases there is not the capacity to increase production, and we may have to stimulate and encourage an increase in capacity, even in an existing plant, or provide a new one; but if there is the capacity, the question is whether we should assist or attempt to assist by wholesale horizontal increases in prices in order to induce men to make more than they are now making, and thereby charge the veterans of the United States, by increase in prices, \$2,200,000,000, or whether we should provide for the use of \$600,000,000 in the form of premium payments, to be assessed, if it becomes necessary, against all the people of the United States.

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. Then, what is the basis for section (2) on page 22?

Mr. BARKLEY. The Senator means subsection (2), does he not?

Mr. WHERRY. Subsection (2). That is the only "(2)" which appears on page 22. It is subsection (2) of subdivision (b) of section 2. It has to do with the authority of the Housing Expediter to issue orders and directives to other agencies. I should like to know why it is necessary, apparently, to give the authority to the Housing Expediter to compel the Office of Price Administration to set prices under which production can be increased. Why can we not get the production without giving him that authority? In other words, if as a result of the hearings on the OPA extension bill it is determined that under a flexible pricing program private enterprise, which could afford employment to 1,600,000 veterans, could produce at prices under which the various industries could function, why cannot that be done this very day? Why do we have

to give to one administrator the right to compel another administrator to do something he is not doing?

Mr. BARKLEY. I discussed that subsection a while ago, but I shall be glad to do it again.

Mr. WHERRY. I was present when the Senator discussed it, and I did not hear him suggest any reason—

Mr. BARKLEY. This is the reason, as I then said: We contemplate not only the use of incentive or premium payments, but we expect also that there may be price increases, though not all up and down the line, not all the way across the board. In cases, however, where, in addition to the incentive payments, the Expediter is convinced that there ought to be a price adjustment he may order the Administrator of OPA, or the Economic Stabilizer, or any other agency of the Government of the United States, to do that. We emphasize these two by including them in the language of the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I agree with the latter part of the Senator's answer that in the event production cannot be obtained, then there should be an incentive. I can see some justification for that, even though I am not for an incentive. I can agree with the Senator wholeheartedly upon that proposal if production cannot be obtained otherwise. But, Mr. President, we have not given private enterprise an opportunity to produce lumber in this country. The Office of Price Administration has not done that. And that statement is verified by all the testimony that comes from the industry, whether located in the West, the South, Michigan, or elsewhere. The OPA has not allowed a price that will permit the mills to operate at a profit. Yet men are standing idly by because they cannot get an opportunity to work, because production has been cut down by reason of a rigid and inflexible price which the Office of Price Administration does not see fit, apparently, to change. The bill as reported to the Senate with subsection 2 on page 22 apparently would give one director authority over another director who has refused to allow a flexible price program. That is exactly what is done by the bill.

Mr. BARKLEY. The Senator ought not to object to that, if he is speaking as a friend of the lumber producers, as I am. But there are many building materials in this country besides lumber.

Mr. WHERRY. What assurance can the majority leader give me that in the event we give this authority to the Expediter, Mr. Wilson Wyatt, whom I do not know, he can compel Mr. Bowles to establish a flexible price program which will bring about the production of lumber through the private enterprise route?

Mr. BARKLEY. We authorize him to do it. Mr. Bowles recently compelled the Secretary of Agriculture to issue an order which one of our colleagues did not like.

Mr. WHERRY. Then, the bill would permit one tyrant to compel another to take certain action. That is exactly what the language of the bill would accomplish.

Mr. BARKLEY. Of course, what is the use of putting language in a bill unless we mean to give the individual the authority to do what we want him to do?

Mr. WHERRY. I should like to ask the distinguished Senator this question: If and when the new Housing Expediter, whatever his title and authority may be, fails to compel the Office of Price Administration, which is now I think controlled by the Economic Stabilizer, to permit a flexible price for an increased over-all production of lumber and other materials for building houses, then is resort had to incentive payments, or do we go to the incentive payments immediately?

Mr. BARKLEY. We go to the incentive payments as soon as the measure is enacted into law.

Mr. WHERRY. Then a chance is not given private enterprise to produce at all?

Mr. BARKLEY. No; but they may go along hand in hand. The production of all building materials cannot be increased overnight even if that were the remedy. It cannot be done in a month.

Mr. WHERRY. If the distinguished Senator will yield further, I respectfully submit this suggestion to him: Hearings have not been had at all on the price program relative to the production of lumber, nor relative to the production of brick or of any other building materials. Yet a plan is brought to the Senate by which the Expediter is instructed to compel the directors of other executive agencies to give the price increase even before it is seen what the results will be. If the results can be obtained through private enterprise, I am as sure as I am standing here that the distinguished Senator from Kentucky would rather do it that way than by means of incentive payments. But here the incentive payment is added as an inducement immediately, without a chance being given to correct the rigid pricing program which has been in existence, and which we have tried to correct for more than a year and a half.

Mr. BARKLEY. I will say to the Senator from Nebraska that I would rather, under normal conditions, increase production of building materials without incentive payments, just as under normal conditions I would have preferred not to pay subsidies on meats or on petroleum or on anything else. But we were not able to do it in that way. And if I must make the choice between—

Mr. WHERRY. Mr. President, let me—

Mr. BARKLEY. Just a moment. Let me conclude.

Mr. WHERRY. But I wish to ask the Senator a question about the statement he just made, and before he proceeds to make another statement.

Mr. BARKLEY. Let me finish my sentence. If I have got to make the choice between paying incentives, or, if Senators want to use the uglier word, "subsidies"—

Mr. WHERRY. That is what we all understand them to be.

Mr. BARKLEY. And get the production of these houses for the veterans, where the difference in the cost to the individual veteran will average about

\$500, as between increasing prices sufficiently or paying incentives, I prefer the premium payment to the over-all increase of price.

Mr. WHERRY. Will the Senator yield further?

Mr. BARKLEY. Yes.

Mr. WHERRY. That is begging the question.

Mr. BARKLEY. No; that is not begging the question.

Mr. WHERRY. Oh, yes; it is begging the question.

Mr. BARKLEY. The Senator says it is begging the question, but I say it is not.

Mr. WHERRY. The Senator speaks of giving the veterans \$500 difference. I will give a veteran just as much as the Senator will give a veteran.

Mr. BARKLEY. I probably am not able to give the veteran as much as the Senator from Nebraska would offer to give him.

Mr. WHERRY. I am a veteran, and I am entirely sympathetic to the needs of the veteran.

Mr. BARKLEY. We do not have a bill before us which would require us individually to pay anything out of our own private property except as it comes from the payment of taxes.

Mr. WHERRY. If the Senator will yield further—and as I understood him, he said he would be glad to yield—

Mr. BARKLEY. I have yielded to the Senator off and on for quite a little while, and I am glad to continue.

Mr. WHERRY. I thank the Senator. I should like to say in conclusion, then, if the Senator declines to yield further—

Mr. BARKLEY. No, Mr. President; I am not declining to yield. But the Senator is complaining because I want to complete a sentence in answer to one of his questions.

Mr. WHERRY. Mr. President, I certainly would not want to be disrespectful to the most distinguished majority leader from Kentucky in the Senate; but I want to ask a question.

Mr. BARKLEY. The field there is limited.

Mr. WHERRY. I beg the Senator's pardon.

Mr. BARKLEY. The Senator said I was the most distinguished majority leader from Kentucky in the Senate. I say the field is limited there.

Mr. WHERRY. If the Senator does not want me to speak of him as the most distinguished majority leader, I will withdraw that. I have high regard for the distinguished majority leader.

Mr. BARKLEY. I appreciate that, and I thank the Senator.

Mr. WHERRY. If the Senator felt that I dealt with too limited a field when I spoke of Kentucky, I will make it the whole United States.

Mr. BARKLEY. The Senator is getting somewhere now.

Mr. WHERRY. Yes, we are getting somewhere now. I should like to suggest to the distinguished Senator one more thing.

Mr. BARKLEY. Mr. President, let me finish first.

Mr. WHERRY. The Senator is asking us to provide an incentive. Now whether or not we agree respecting the incentive we agree on giving the veteran relief.

What I wish to say to the distinguished Senator, if he will permit me to say it, is that we have not given private enterprise an opportunity to produce under a flexible price program which for a year and a half private enterprise has asked us for. At the same time this bill provides for giving the new housing expediter, the new czar, the authority to compel OPA to do thus and so, an incentive program is started. Why not now compel OPA to initiate a flexible price program in order to get production? If that fails, then let us use the incentive program. That is what I have in mind and that is the question I have asked the most distinguished Senator from Kentucky, the honorable leader of the majority.

Mr. BARKLEY. I thank the Senator.

Mr. AIKEN. Mr. President, may I ask a question?

Mr. BARKLEY. Just a moment. Let me take a whack at that one. [Laughter.] In the first place we have no authority to legislate prices by an act of Congress. We cannot by law instruct the Price Administrator what he shall grant in the way of prices on anything. We cannot do that any more than we can instruct the Interstate Commerce Commission what rate to fix with respect to the railroads or anything of that sort. We can give him authority; we can even hedge it around by all sorts of restrictions, but we cannot say to the Price Administrator what price he shall fix on anything.

The Senator complains about the Price Administrator not having given private industry a chance. That is a subject we will go into next week when we have hearings on the extension of the OPA law. The Senator knows that all the price increases necessary to bring about all the production of all the building materials essential to carry out this program could not be brought about in a day, nor in a week, and they might not be brought about in a month, indeed, they might not be brought about in all cases in 6 months. We are now waiting for someone to do something which we have no authority to compel him to do, while veterans are going without housing facilities. That is my answer to the Senator's question. It may not satisfy the Senator, but that is my answer.

Mr. WHERRY. Mr. President, will the Senator permit me to make an observation in reply to that statement?

Mr. BARKLEY. Yes.

Mr. WHERRY. It does not make any difference whether we go the incentive route or whether we raise prices, if we can get production.

Mr. BARKLEY. The incentive would go into operation at once. Price increases may not come into operation at once.

Mr. WHERRY. We want a flexible pricing program which will permit production to be obtained at once; and the Price Administrator has not brought that about in 2 years.

Mr. BARKLEY. If he has not done it in 2 years, how does the Senator expect it to be done by next Sunday night?

Mr. WHERRY. By removing him from office and installing someone who will give us a flexible pricing program, to do the very thing we are trying to do.

Mr. BARKLEY. Congress cannot remove him, even if he ought to be removed—and I am not admitting that he ought to be removed.

Mr. WHERRY. Congress does have authority—

Mr. BARKLEY. Congress has no authority to remove or appoint executive officials.

Mr. WHERRY. I am not going to discuss that question. The distinguished Senator well knows that under the provisions of the Price Stabilization Act, it is the obligation of the Price Administrator to establish prices which permit production. He is not doing it. Industry knows that, and the distinguished Senator knows it. Men from his own State who are engaged in the production of lumber have advised him of that very fact, I am sure.

The whole question involved in the consideration of the bill is simply this: Do we want to go the incentive route, or do we want to obtain production through private enterprise? It is my theory that subsection (2) on page 22, if it is carried out to its logical conclusion, will compel the Office of Price Administration to establish a price which will be profitable for private production. If we can get production in that way, I believe that we should not go the incentive route. I hope we can get a flexible pricing program. If that fails, certainly all of us will be much more interested in approving an incentive to obtain production.

Mr. AIKEN rose.

Mr. BARKLEY. I now yield to the Senator from Vermont.

Mr. AIKEN. I should like to obtain a little information from the Senator from Kentucky. As I understand, subparagraph (1), taken in connection with subparagraph (2) on page 22, would authorize the Expediter to direct the Office of Price Administration and the Office of Economic Stabilization to raise the ceilings on certain building materials, which might be very badly needed, above the level to which those agencies might think they were restricted by the Price Stabilization Act. Could he direct them to break through what they might consider the top ceiling?

Mr. BARKLEY. If there were a rigid and mandatory provision in the law which they could not break, I would not say that the Expediter could compel them to go beyond that or through it. He is supposed to give them directions to do things within the power of those agencies.

Mr. AIKEN. But he could not direct them to go through the ceiling to which they were restricted by law, could he?

Mr. BARKLEY. I do not think so, unless we specifically authorize a change in the administration by removing the inflexibility to which the Senator refers.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. In connection with the question asked by the Senator from Vermont, let me say that in my opinion the Housing Expediter, under the terms of this bill, could raise any ceiling to any point he desired to raise it, except for the ceiling which is fixed in this bill with respect to existing houses; which is the

fixing of a price by law, which cannot be changed. But so far as the prices of building materials are concerned, I should say that there is nothing in the law which would prevent his raising the prices of building materials to any reasonable level which might be requested.

Mr. BARKLEY. I will say to the Senator from Vermont that there are no fixed prices in the law. In the OPA Act we did not fix any prices. Therefore there are none fixed by the law itself, beyond which the Administrator may not go.

Mr. AIKEN. There are prices below which he may not go.

Mr. BARKLEY. Yes. There is a formula or floor; but no ceiling is fixed in the law in terms of figures. Therefore the Expediter could compel the Administrator of OPA and the Director of Economic Stabilization to go to any figure which he thought was reasonable, although the Administrator of the OPA and the Director of Economic Stabilization might not themselves think it was reasonable.

Mr. AIKEN. The Expediter, then, could direct them to break through any limits which the OPA or the Office of Economic Stabilization might have set up for themselves.

Mr. BARKLEY. That is true.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. We recognize, of course, that lumber is a very vital building material. In connection with what the Senator from Nebraska has said with respect to the lumber industry during the past 2 or 3 years, let me say that it has undertaken to obtain price adjustments and to have price ceilings fixed by the OPA which the lumber industry considered necessary to enable it to produce at a profit.

I am more familiar with the southern pine industry than with other production. My recollection is that in 1943 or 1944 there was a total production of 11,000,000,000 board feet of southern pine lumber. But because of the failure or refusal of the OPA to increase the price sufficiently, a number of mills in that industry were driven out of business. Last year, the production of southern pine lumber fell off to a little more than 7,000,000,000 feet. In other words, a shortage of more than 4,000,000,000 board feet of lumber was created, and the production last year was four-fifths of normal. The industry contends that that result has been due primarily to inadequate ceiling prices.

I believe it is admitted by the OPA authority that of the 7,000,000,000 feet which are still being produced, between 75 and 80 percent of that lumber is being sold in the black market. At any rate, a considerable percentage of the production is being sold in the black market. That admission was made by the OPA officials in a discussion with them. I placed the figure at 66½ percent or 65 percent, and was told that it was greater than that.

That is the condition which has been brought about. Whether the Price Administrator is wholly to blame for it, I do not know; but certainly something

has brought it about. Some unusual factor has entered into the situation which has brought about a lack of production, and also has contributed to the increasing black market in the product.

If that condition exists, and if the state of facts is as described, we know that the Price Administrator now has authority to correct the situation. Apparently it has not been corrected. Some modification of prices has occurred recently, but it is maintained that it is inadequate.

I am not familiar with the situation with respect to other building materials. I am somewhat familiar with the lumber industry, about which I am now speaking. But if the same situation obtains with respect to all other building materials, this is exactly what we have done, and what we are doing: By reason of the arbitrary action of the Price Control Administrator in refusing to grant adequate prices to obtain production, we have driven the production facilities out of business, to the extent that we have a very much curtailed quantity of production; and now we propose to remedy that condition by appropriating and spending \$600,000,000 of the taxpayers' money to get those production facilities back into business.

Mr. BARKLEY. It is not primarily to get them back into business merely for the sake of getting them back into business. It is for the purpose of obtaining the materials with which to build houses for the men who fought for our country.

Mr. McCLELLAN. Yes, I appreciate that; and it may be necessary to do it. But I wish to say that if this has been an arbitrary, short-sighted, and harmful policy which has been detrimental to the country, I think we should do something to correct it.

I observe that the bill proposes to give full authority to the Housing Expediter not only to order the OPA and its Administrator to fix prices at a certain level or at any level he may choose, but also to order the Director of Economic Stabilization and the Office of Economic Stabilization to do anything he wants them to do, and also to take over all the powers of the Director of the Office of War Mobilization and Reconversion.

Mr. BARKLEY. Only insofar as they relate to this program.

Mr. McCLELLAN. Yes. So it is proposed that we place in the hands of the Expediter of this program, power superior to that of any other agency or authority of the Government which has been created, except the Presidency of the United States, as I interpret the language of this measure. Is that the Senator's understanding of it?

Mr. BARKLEY. Of course, the Presidency of the United States is not an agency within the meaning of the law referring to agencies.

Mr. McCLELLAN. Of course, I appreciate that.

Mr. BARKLEY. But insofar as those agencies and their functions relate to the emergency housing program, the Expediter will have the right to give directions and orders. We emphasized the Office of Price Administration, the Office of Economic Stabilization, and so forth. We did not spell out all the others, but

we emphasized those in order that it might be perfectly plain that the Expediter would have authority to compel the Price Administrator to increase prices whenever he thought it was necessary to have that done in order to carry out the program, and that such price increases could not be nullified by the Office of Economic Stabilization, which ordinarily would have the right to override the Price Administrator.

Mr. McCLELLAN. In other words, by the pending measure we would reverse the situation which now exists, let us say, with respect to the OPA and the Office of Economic Stabilization, in that so far as this program and this agency are concerned, instead of letting the Office of Economic Stabilization have power to direct this agency, this agency or its Expediter could direct and order the Office of Economic Stabilization.

Mr. BARKLEY. That is correct, insofar as it relates to this program, but no farther.

Mr. McCLELLAN. That is correct.

Mr. BARKLEY. If the Senator will permit me to do so, I should like to say a word at this point in regard to lumber. We had testimony before the committee with respect to lumber. Representatives of several of the associations, including the Southern Pine Association and the Western Pine Association, appeared before us. Of course, an application is pending for an increase in the ceiling price of their lumber. They wish approximately \$9 a thousand, and they said to us that they did not think the OPA would permit them more than a \$4.50 or \$5 increase, and they did not think that would be sufficient. Of course, I cannot tell what the correct figure would be; I cannot tell whether their figure is correct or whether the correct figure lies somewhere in between. I do not think the Congress can determine that. But in such a situation as that, where there is a disposition on the part of the OPA to grant an increase—although perhaps not so much of an increase as the inquiry itself wishes to have—or if there were no disposition to grant an increase, if the Expediter concluded that an increase was justified, he would have the power to issue an order for the OPA to grant whatever increase he thought essential.

I may say that in 1939 a total of twenty-eight-billion-plus board feet of lumber were produced in the United States. In 1941, 36,000,000,000 board feet of lumber were produced; and as of January, 1946, the production of lumber was at the rate of 26,000,000,000 board feet a year, which is 10,000,000,000 board feet short of what was produced in the United States in 1941. Our total estimated capacity for lumber production is thirty-six-billion-plus board feet a year. Of course, that takes into consideration all kinds of lumber, not simply western pine or southern pine.

I, myself, do not know and I would not undertake to estimate how long it would take the OPA to consider all phases of the entire lumber industry—hardwood, softwood, pine, poplar, oak, spruce, and all other varieties—so as to bring about an overall increase in the price of lumber which would cover this building program

and at the same time permit the construction with sufficient rapidity of homes for the returning veterans and their families to live in.

Mr. McCLELLAN. If it is necessary that that be done—

Mr. BARKLEY. It might be.

Mr. McCLELLAN. I think it is, but I do not see why the OPA, a long-established agency with experience, could not do it more quickly than a new agency could. It must be done.

Mr. BARKLEY. One of the complaints constantly made against the OPA is that it does not do anything quickly enough. That is not my statement, but that is a complaint which is constantly made in the Senate and it is a complain which constantly comes to me from the people who have applications before the OPA. They complain that the OPA does not operate quickly enough. It may be that those who complain are in too big a hurry. The OPA feels an obligation to obtain all the facts. All of us know that it is necessary to take human nature as it is and to discount some of the representations which are made in such cases. That is true in respect to any industry.

Mr. McCLELLAN. Mr. President, no doubt there are applications which the OPA should not grant—possibly not only as to the lumber industry but as to others. But the point I make in regard to the harm that is done to the individual industry for which I am complaining—if I am in the attitude of complaining; I hope I am not—is that because of the procrastination and the failure to do the job to the best of their ability and the failure to take into account what must be considered and the failure to do what must be done in order to obtain the best results, the public suffers.

The failures which I have just mentioned are a part of the reason for the shortage, although perhaps not all the reason. As the Senator from Kentucky has said, our lumber industry has a production capacity of approximately 36,000,000,000 board feet a year, but today it is producing at the rate of only 26,000,000,000 board feet a year. In that situation there must be some reason for the lack of full production. I know of no reason other than the failure of the OPA and the industry to get together on a price which will permit production at such a rate that they can stay in business. The best evidence in the world of that is the fact that most of those who are now producing are in the black market.

Mr. BARKLEY. Mr. President, in regard to lumber production, let me say that I am sure the Senator knows that in the early days of the war, along in 1942, when our Government was engaged in enormous construction activities not only in the United States but all over the world, the Government took practically all the lumber there was.

Mr. McCLELLAN. That is true.

Mr. BARKLEY. There was a restriction on the use of lumber. The peak of Government building later dropped, but the restrictions remained in existence. It was almost impossible to obtain lumber, even after the Government stopped

using it. I myself tried to obtain some fencing lumber, near my home, to use in fencing a little farm on which I live. I was not able to obtain it, and I have not yet been able to obtain it.

So the production drop from 36,000,000,000 board feet to 26,000,000,000 board feet was not altogether due to prices. It was due to a war condition which was brought about by the Government, which took all the lumber for its own use.

However, when the war ended in Europe and in Asia, we began to get back to normalcy in respect to lumber production. We have not yet gotten back to normalcy. It may be that the price situation has operated as a deterrent. But if it has and if the Expediter finds that out, he can order such increases. But he could not do so overnight; he could not do so after a day's investigation. He must know what he is doing. It may be that in certain cases he will find that it is necessary to provide for an increase in price, not only as to lumber, but, possibly, as to all other building materials. He might find that an increase in price was necessary, in addition to the use of premium payments, either with respect to lumber or with respect to a vast number of other commodities, some of which perhaps may not be involved in a situation like that confronting the lumber industry.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. If the distinguished Senator from Arkansas is through, I should like to ask a question which may be along the same lines, but phrased a little differently. According to paragraph (2) on page 22 of the bill, a paragraph which we have been discussing, the Housing Expediter has supreme authority over various officers in setting prices when he deems it wise to exercise such authority. On page 27 of the bill, in section 4 (a) beginning in line 24, the Expediter is given authority to "allocate or establish priorities for the delivery of materials" of which there may be a shortage. Under such authority why would it not be much quicker and more effective for the Expediter to issue appropriate orders and thus provide the necessary incentive than to fix an amount as a subsidy or as an incentive price?

Mr. BARKLEY. In the first place, the authority can apply only to materials which are already in existence. Priority takes effect immediately upon this proposed legislation becoming a law. The Expediter could exercise authority over the commodities in existence at that time, and before any increase has been put into effect in the form of either a price increase or an incentive payment. It is not contemplated by anyone, so far as I know, and certainly not by the Expediter nor by the committee, that the Expediter, by ordering the Price Administrator to increase prices all up and down the line at once, could act wisely in this field, and with judgment and with full information. He would be required to take these various steps one at a time. It is not contemplated that he shall take the place of the Price Administrator. It is only in cases in which he has been convinced from the facts submitted to

him that an increase should be allowed in the price of some commodity, the supply of which is short, that he will do the things which are provided, whereas the premiums payments may be given at once without waiting for a price increase, and without all the facts being submitted through private statements, and without sending out inspectors, as it is sometimes necessary to do in order to make a survey of an industry. If the Expediter had to increase all prices which are involved in building materials the delay would be so great that I fear that by the end of 1946 we would not even more than have started the building program which we expect to be in effect by that time.

Mr. SALTONSTALL. Let us take, for example, shingles for a roof or two-by-fours for stansions. If a priority were needed for the production of such materials the Expediter could pick out a certain article and say in effect, "We want priority for this" and fix a proper price. If his judgment in connection with fixing the price were good, it would not take him any longer to do that than to say, "This is the proper subsidy." He will either throw away Government money by not making the proper investigation, or else he will make a proper investigation in either case.

Mr. BARKLEY. No investigation is necessary for premium payments because they are made only in order to bring about an increase in production. If the shingle maker has not produced the required quantity of materials, he will not receive a premium. If he has been making, say, 50,000 bales of shingles and he continues to make only 50,000, he will receive no subsidy or premium payments. But if he is induced by the premium payments which will be offered him to increase his production to, say, 75,000 or 100,000 bales, he will be paid the premium on the extra amount which he produces. On the other hand, if he receives a price increase on everything that he makes, that increase will go into the 50,000 bales which he has been producing, and that in turn will go into the cost of the house which the veteran must buy. That situation would represent a higher outlay on the part of the veteran than would be the case if the premium were paid instead of an increase being allowed in the price.

Mr. SALTONSTALL. Let us take the Senator's example of 50,000 bales of shingles. The price is not right, and the production has not been increased. But the incentive price is allowed, and the increase goes to 75,000 bales. If the price is increased and the shingle maker knows that a demand for increased production is present, then he may increase his production to 100,000 bales. If he does, it may not make any difference in the cost to the veteran and still get the results desired much better than by the method of incentive payments.

Mr. BARKLEY. The shingle maker may increase his production to a hundred thousand bales. If he does so, it will be all the more favorable to the housing program. But if he undertook artificially to stimulate his production merely for the purpose of obtaining a premium on a quantity of shingles not needed, then the situation would be en-

tirely different. We have stepped in and provided that for not more than 50 percent of the output of any new plant may premium payments be made, and that for not more than 30 percent of the entire output may premium payments be made.

Mr. SALTONSTALL. Will the \$600,000,000, which is provided for in the pending bill, be anywhere near sufficient to provide the incentives which may be necessary in the building industry in this country?

Mr. BARKLEY. We think that \$600,000,000, which is the maximum figure, will be sufficient. We hope that not all of it will be necessary. We believe the amount to be sufficient in order to carry out the program of constructing 2,700,000 housing units which are provided for in the proposed legislation.

Mr. SALTONSTALL. As I understand the Senator's argument, it is this: Here is \$600,000,000 with which to proceed. We will increase the price of shingles today, and of 2 by 4's tomorrow, and of sewer pipes on Wednesday.

Mr. BARKLEY. No; we do not have to do all those things on separate days. We might deal with shingles, 2 by 4's, and sewer pipes all at the same time. Whatever may be the increase, it will go into effect all at once; that is, as soon as the machinery can be organized. If this bill were signed by the President today, premium payments would not be paid tomorrow. But, as soon as the machinery could be organized and the plants began to increase production, the premium payments would be paid on the increased portion of the total output.

Mr. SALTONSTALL. Mr. President, I should like to propound to the Senator one more question on another subject which, perhaps, the Senator will not prefer to answer at this time.

There is in the bill a paragraph which provides that if a broker sells to a buyer above the proper price, the buyer may bring an action within a year and receive treble damages, and if he does not do so, the Government will step in. Is there any precedent anywhere for allowing a private person to sue another private person and receive treble damages because the defendant has violated a statute of the United States?

Mr. BARKLEY. The provision to which the Senator refers was in the bill in the form in which it came to the Senate, and we did not change it. However, there have been cases in which suits could be brought for double and treble damages. In the original Price Stabilization Act it was provided that treble damages could be recovered at the rate of 3 times the overcharge. We charged that later to some extent when we passed the extension measure. I grant the Senator that the recovery represents a penalty against an overcharge. The amount by which the price exceeds the ceiling which was fixed is trebled.

Mr. SALTONSTALL. But is not that a very bad precedent?

Mr. BARKLEY. It is not a precedent. It has been done. I could not give the Senator all the cases in which it has been done, but it has been done before. There are some bad features about it, I

grant. No one ever has to pay anything for a house he does not want to pay. If I buy a house from the Senator I am not compelled to pay him all he wants for it. I am not compelled to buy it at all. But if I am in such dire need for a house for my family that I am compelled to pay the price asked in order to get a house at all in which to live and raise my children, if there is no other house anywhere, and the Senator is taking advantage of me because of that situation, and saying to me, "If you get this house you are going to pay me a thousand dollars above the ceiling fixed by the last sale," the provision operates as a penalty against the Senator, which I may invoke in the courts.

Mr. SALTONSTALL. Would the distinguished Senator object to an amendment to leave the matter in the hands of the Government?

Mr. BARKLEY. I shall be glad to consider it. I should like to look into it. This is a House provision, and I should like to look into it further; but I would consent to consider it.

Mr. McCLELLAN. Mr. President—The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Kentucky yield to the Senator from Arkansas?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. I desire to ask a question in order to clarify the purpose of the incentive payments. As I understand, the primary purpose is to get increased production, for instance, to induce a plant to expand its capacity or step up its production. Under the bill would incentive payments be permitted or authorized to keep a plant in business? For instance, we were talking about the lumber industry a while ago. A sawmill has been producing, let us say, a given quantity of lumber per month, so many feet, but it finds that under existing prices it can no longer operate at a profit, and is about to go out of business, though it may have been operating substantially to capacity, and has no prospect of increasing it. Would incentive payments be made to such an industry or to that plant in order to keep it in business and enable it to continue to produce, without necessarily increasing its production?

Mr. BARKLEY. Is it a plant that is at this time producing anything at all?

Mr. McCLELLAN. Yes, let us say it is producing. There are some that claim to be in that position, and claim they are having a struggle to remain in business and produce to capacity. They claim they are not making money. I suspect such a condition can be found in any industry. Some make that contention, and probably some of them are correct. Some may make the contention when it is not well founded. In other words, if a plant is in operation and producing, but under such prices and conditions that it is not able to produce at a profit, and it is ready to go out of business, would the incentive payments be made to that plant in order to keep it producing?

Mr. BARKLEY. Not on what it is actually producing. If the plant is not producing anything at all—

Mr. McCLELLAN. If it is already closed down.

Mr. BARKLEY. If it is closed down, and therefore cannot be said to be producing anything, incentive payments could be made in order to induce it to start over and begin producing. All the production would be regarded as excess, that is, increased production. But there is nothing in the bill which authorizes the Expediter to finance a plant itself by installing machinery or anything else in it.

Mr. McCLELLAN. The Expediter does not finance the expansion itself?

Mr. BARKLEY. No; not the expansion itself.

Mr. McCLELLAN. But he assists by giving an increased price on the product as an incentive?

Mr. BARKLEY. Yes. I have taken more time than I had intended, but there are one or two more features I should like to discuss.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. Can the Senator tell me how the figure \$600,000,000 was arrived at?

Mr. BARKLEY. It was arrived at by conference and consultation among all the housing agencies, and all those interested in housing, those dealing with veterans, the Veterans' Administration, and a whole mass of agencies and people who surveyed the situation and figured that \$600,000,000 was an appropriate sum. I cannot say just what mathematical calculation they went through, but they all conferred about it and agreed upon that sum as the proper sum which should be sought. In addition, they consulted labor organizations and everyone else who had anything to do with construction and housing. They sought to get an over-all picture, as the various organizations and agencies were able to present it, in arriving at that figure.

Mr. VANDENBERG. It occurred to me that in arriving at that rather unusual figure there must have been some sort of a budget which would indicate where and how they contemplated making payments. I was wondering whether such information was available.

Mr. BARKLEY. There was not a break-down as to how much would be paid to the lumber industry, how much would be paid to the plywood industry, how much to the gypsum industry, how much to the brick dealers, how much to this or that particular category having to do with building materials. I am not able to give the Senator an answer to his question.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield, if the Senator from Michigan has concluded.

Mr. TAFT. The total cost of the conventional housing to which these payments apply is estimated to be \$6,700,000,000 for the 2 years. The bill provides that the premium payments shall not be applied to more than one-third of that, which would mean that premium payments would be applied to approximately two and a quarter billion dollars.

The bill provides that not more than 25 percent can be applied on any product. So if that were applied to all the

\$2,250,000,000 we would get about \$500,000,000. That is, roughly, the method by which the figure was calculated, I understand. The premium payments would be necessary only for 30 percent of all the building materials, in other words, only to break bottlenecks. The plan is not intended to be a general plan for pricing materials.

Mr. BARKLEY. I had stated earlier that the 30 percent over all should be applied to materials upon which premiums would be paid. I thought the Senator from Michigan was seeking to have me break down the figures as to each industry.

Mr. VANDENBERG. I was trying to find out how the figure was arrived at.

Mr. BARKLEY. It was arrived at in a fairly safe calculation in respect to the amount of material that would be used in a period for the construction of what is called conventional housing. There is in the bill a provision for prefabricated houses, and also for use of new materials.

There is a guaranty provided—which I do not care to take the time to discuss, as I shall come to that later—a guaranty by the Government in order to induce the producers of materials for which the market may be timid, and yet which are essential to housing, to go into production. The bill provides for increased facilities, so that when it is all over, if the producers have left on their hands, some of the materials because the market has not been willing to accept them, the Government undertakes certain guaranties in regard to their resale, or purchase, in which case it would take them over at less than cost, in all probability. But that is another matter.

Mr. VANDENBERG. Mr. President, I ask the Senator to look at the language on page 40, beginning in line 3:

Premium payments shall wherever possible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

Is that intended to mean that if premium payments are allowed in any given construction category everybody in the category shall be equally eligible to receive payments under the given circumstances?

Mr. BARKLEY. If they increase their production.

Mr. VANDENBERG. That is what I mean.

Mr. BARKLEY. Yes, if they increase their production. In other words, instead of selecting each firm which would be making plywood, let us say, or brick, and giving them a separate rate of premium, the Expediter would undertake to pay the premium uniformly to all those who increase their production, not uniformly in amount, but in rate, because if one man increased his 25 percent and the other 50 percent, of course the man who increased 50 would get twice as much by way of premium as the one who increased 25 percent. But the rate would be uniform wherever possible, and I think in most cases it would be possible. The only exceptions would be cases, if such cases are extraordinary, in which the Expediter might have to make a different rate in a community or in a place where there

might be a different inducement offered. On the whole, the rates would be uniform.

Mr. VANDENBERG. In other words, every producer within a given category would stand on even ground so far as the application of the law was concerned.

Mr. BARKLEY. Absolutely.

Mr. VANDENBERG. That would be a complete answer to those who have suggested that the Housing Expediter could use his authority rather loosely to deal with his favorites, or those whom he might wish to favor.

Mr. BARKLEY. Yes, it would negative the argument. All Senators do not happen to know Mr. Wyatt, but I happen to have known him for years, and I do not think anyone who knows him would question his fairness. This language is supposed to apply to whoever might occupy his present position, and it would make it necessary for him to treat all in the same category alike.

Mr. VANDENBERG. I was not reflecting on Mr. Wyatt.

Mr. BARKLEY. No; I understand that. But we always recognize that anyone who now holds an office may not always hold it, and we have to frame the law for the ones who may later hold it.

Mr. VANDENBERG. Furthermore, we are setting up a new bureau and establishing a new bureaucratic power, and, unfortunately, we might not be entitled to hope that the entire personnel would qualify on the level with Mr. Wyatt's capacity.

Mr. BARKLEY. I will say that if it did it would be of a very high standard.

Mr. VANDENBERG. Will the Senator yield for another question?

Mr. BARKLEY. Yes.

Mr. VANDENBERG. Am I correct in my understanding that on page 22, the language from line 8 to line 20 would authorize the Housing Expediter if, in his judgment, it were advisable to deal exclusively, if he wished, with this problem by price increases?

Mr. BARKLEY. I do not know. I do not think that is contemplated, I will say in all fairness to the Senator. I think that is supplementary.

Mr. VANDENBERG. I understand it is supplementary. But if he should conclude, after experimenting with this system, that repricing was the answer, which is probably my view of the thing, he could, could he not, under this language, confine himself to repricing?

Mr. BARKLEY. Technically I suppose he might. But the process of arriving at that conclusion and the necessity for making the investigation which would be necessary in order to justify him in reaching that conclusion with reference to all building materials, would, in my judgment, delay the whole process of getting these houses built for the people for whom they were intended, so that it would be utterly impossible for him to adopt it exclusively as the remedy for this situation.

Mr. VANDENBERG. I think the Senator, and I ask for just one more clarification. The bill on page 24, beginning in line 8, creates the authority to "establish maximum sales prices for such housing accommodations or unimproved lands," and so forth. I assume I am correct in the assumption that that authority is

limited by subsequent language which confines this power to the resale of houses?

Mr. BARKLEY. Yes. There is no limitation, I will say, in the bill toward the first sale that takes place following the enactment of this legislation. If when this law is approved by the President and goes into effect, I own a house for which I paid \$5,000, I can sell that house at any time during the 2 years—this of course is a 2-year period we are talking about—for \$10,000, \$15,000, or \$20,000, if anyone is willing to pay me that price for it, but after I sell it for that price the purchaser from me cannot thereafter sell it at a higher price during the 2-year period, except that he is allowed the commission and brokerage fees that are customary in the community, and also he is allowed to charge for any substantial improvement he may have made in the house during the term of his ownership.

Mr. VANDENBERG. On page 25 at line 12, the margin of profit allowed in construction is set at a profit comparable to the profit in the calendar year 1941. Is that language susceptible of translation into any percentage?

Mr. BARKLEY. It might be. We all know that building costs are higher today than they were in 1941, and that a given house of identical size, character, and construction would cost more money now than it cost in 1941. There certainly is nothing in that language, in my judgment, that would prevent the allowance of a comparable profit upon it, based upon its original construction cost. In other words, if I built a house and sold it in 1941 and made \$100 on it, I would not be compelled, if I built a \$10,000 house, to sell it at only \$100 profit.

Mr. VANDENBERG. In other words this is a comparable percentage profit?

Mr. BARKLEY. A comparable percentage profit; yes.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. If that be the meaning of the language, why not change the word "margin" in line 12, on page 25, to the word "percentage"?

Mr. BARKLEY. The word "margin" is a familiar term—

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I do not agree with the Senator's interpretation. I think "margin" means a dollar margin as a rule, rather than a percentage profit. If it means exclusively one thing, it means a dollar margin, in my opinion. I do not think, however, it makes very much difference.

Mr. BARKLEY. I think it makes little difference, but I do not think a man can be compelled to build and sell a house costing him \$10,000 in 1946 or 1947 for \$100 profit, because in the building of a \$5,000 house in 1941 he received a \$100 profit.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I am quite satisfied that in all the testimony we have taken

relative to housing questions the witnesses made use of the expression "dollars-and-cents profit." May I respectfully point out to the distinguished majority leader that there certainly is a difference in percentage profit in the sale of a \$5,000 house as compared to a \$10,000 house or as compared to a \$20,000 house. I think this should be dealt with percentagewise. The word "percentage" should be substituted for the word "margin." I hope the distinguished Senator from Oregon will offer an amendment to that effect.

Mr. BARKLEY. I will look into it, I will say to the Senator. I do not think it will make a great deal of difference so far as the ultimate result is concerned.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I think there is a rather substantial difference. In other words, if a man made a \$100 profit on a \$5,000 house, in 1941, that house today would cost about \$7,000, or at least a 40-percent increase in cost. Forty percent is a fair estimate. Under this language, I am sure OPA would limit the individual to \$100, not to \$140.

Mr. BARKLEY. I will say to the Senator from Ohio that, so far as I am concerned, I am perfectly willing to change the word from "margin" to "percentage." It might be subject to regulation and interpretation on the part of the Expediter, but it seems to me that the fair standard would be the percentage profit rather than a fixed sum, no matter what the house cost, because the risk is always greater the more money is put into a house.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. It occurs to me, Mr. President, that some care should be given with reference to that particular matter, if we do not use the word "percentage," because of the simple fact that the dollar which the builder gets as his profit is not the kind of dollar that he received in 1941. When he spends it he is not going to get for it what he got for a dollar in 1941.

Mr. BARKLEY. I appreciate that, and I have said that when we reach that point I am willing to have the word changed to "percentage."

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BROOKS. Turning to page 40, line 3, paragraph (3) provides:

Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them rather than at varying rates for each producer.

Does the Senator interpret that to mean that the Expediter must offer the same opportunity to increase production to all producers, or does he have a discretion to pick out certain producers, and all those that he picks out shall be given the same rate of premium?

Mr. BARKLEY. I do not see anything in this language that gives him the right to go into a neighborhood and pick out one producer and say, "If you increase your production, I will pay you

this premium. I think the language means to take into consideration those within the industry. I do not think there would necessarily be a uniform rule applying to dealers in California and in Florida. But in the industry which is to be covered by the premium all must have the same treatment, and I think each has an equal opportunity to increase his production if he sees fit to do so and obtain a premium.

Mr. BROOKS. The Senator says discretion exists with respect to sections of the country, but that there is to be a discretion as between individuals.

Mr. BARKLEY. No; I was not speaking of discretion as between individuals. I was saying that the rate must be uniform.

Mr. VANDENBERG. And the eligibility must be uniform?

Mr. BARKLEY. Yes; the eligibility must be uniform. It would be unthinkable that any administrator would have the right to pick out one brick company in your town or in mine and say, "Now, you step up your production here and we will pay you a premium on all you make over and above what your normal production is," and leave everyone else out.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. Would the same maximum sales apply to remodeled houses as apply to new houses? By "remodeled" I mean taking a house that is not habitable at all and making it so.

Mr. BARKLEY. All old houses, even though remodeled, would come under the category of existing houses.

Mr. AIKEN. Quite a lot of that was done in New England. Old houses were acquired that had not been occupied in any way for a long time and were not habitable.

Mr. BARKLEY. That is true.

Mr. AIKEN. It usually costs 90 percent as much to remodel as it does to build new.

Mr. BARKLEY. After a house has been remodeled the owner has the right to sell it for what he can get for it. There is no restriction on the initial price that can be obtained for a remodeled house. The restriction comes in after the initial sale following the remodeling.

Mr. AIKEN. For the first sale after the remodeling there is no restriction on the sale price?

Mr. BARKLEY. That is true.

Mr. FERGUSON. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. FERGUSON. The Senator has indicated that the Expediter may not select those who are to receive the premium payment. Would the Senator say that under the terms of this bill anyone could make application and offer proof that he was increasing his production above a certain amount, and that he would therefore be entitled to the premium?

Mr. BARKLEY. Yes, if the Senator is asking me the question. Anyone who is producing a given material is eligible. Let us say that there are three brick-yards in a town, and that they are all producing. They are all eligible to share

in the premium payments. If one of them does not increase production, it does not receive any premium payment. If the other two increase their production, they receive the premium payment. If the situation is such that a new plant ought to be established, the new plant has not produced anything. A new plant may be established, and it will receive a premium; but we have provided that in such a case it can receive a premium on only 50 percent of the total production. In other words, we do not propose to bring about the construction of new plants in competition with existing plants, and then pay the new plants a premium on all they produce, on the ground that it is an increase.

Mr. FERGUSON. I think the situation is clear as to new plants. However, I still feel that there is an uncertainty in the bill. The Expediter may determine that a premium should be paid for production above a certain point, and he will determine the point at which he will start the premium payments.

Mr. BARKLEY. The premium is to be paid upon all increased production. The Expediter must get the facts as to what the production was before the increase started; and, of course, he will obtain those facts by consultation with those in the industry. He may wish to make an independent investigation. I do not know how he would go about it; but he would wish to be sure, for example, if a factory is now producing 50 percent of its capacity and wishes to participate in the premium payments by stepping its production up to 75 percent of its capacity, that at the time the increase began the factory was producing at 50 percent of its capacity. In the interest of the public, and in order that the Government might not be in any way imposed upon, the Expediter would have to satisfy himself that at the time the increase began the factory was actually producing at 50 percent of its capacity.

Mr. FERGUSON. But no date is set for computing the premium to be paid for production.

Mr. BARKLEY. No date is fixed in the law. Anyone would become eligible as soon as the law became effective. If he started the next day to increase his production, and the Expediter were satisfied of that fact, the producer would be entitled to a premium on the increased production. But no date is fixed in the law when the Expediter shall say that the incentive payment shall begin.

Mr. FERGUSON. Did I correctly understand the Senator to say that if a plant has a certain capacity, and is producing at 50 percent of that capacity, it can be paid for producing 25 percent more?

Mr. BARKLEY. Yes, if the plant produces 25 percent more than it was producing. The plant may be paid for whatever the increased production is, subject to the limitation that there cannot be paid to producers more than an over-all payment of 30 percent on the entire production of all building material. The Senator from Ohio [Mr. TAFT] spoke of the 30 percent as roughly one-third. Also, no new producer, who has not previously been in the business, may be paid a premium on more than

half of what he produces. I think I am correct in that statement.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I think there is a very wide discretion given to the Expediter as to what the base shall be, if that is what the Senator from Michigan is inquiring about.

Mr. FERGUSON. That is what I am inquiring about.

Mr. TAFT. The opinion of the Expediter as to what might otherwise be produced would permit him to adopt a number of different standards. He might, for example, adopt the total capacity as a standard and say that anyone who increases his total capacity by operating two shifts is entitled to a premium payment. My impression is that it would be based upon the actual production, either before the war, in 1941, we will say, or possibly the actual production today. It could hardly be based on capacity.

Mr. BARKLEY. I was using the word "capacity" simply as an illustration, in answer to the question of the Senator from Michigan. Premium payments would not be made on the basis of capacity but on the basis of increased production. I was using the illustration that if a plant were producing only half of what it could produce, and under this incentive it produced half as much again, the law would authorize, and the Expediter would pay, a premium on the increased production above the amount formerly produced, regardless of the capacity. I was merely using that as an illustration.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. FERGUSON. The difficulty is in determining the base for increased production. Increased production over what? Full capacity or half capacity?

Mr. BARKLEY. Not full capacity, because if a plant were producing only 25 percent of its capacity, and the Administrator were to say, "We will pay you a premium on everything above full capacity," the producer would never receive any premium, because when we reached full capacity he could not go beyond it, and therefore there would be no incentive.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. If a plant is producing 50 percent of capacity, probably there is a reason why it is not producing more.

Mr. FERGUSON. Suppose the reason is price.

Mr. TAFT. It may be price. Obviously, a producer is not going to produce even 50 percent of his capacity at a loss. In any event, the price must be adjusted to a reasonable level. Possibly the reason why the plant is not running at full capacity is that much of its machinery is old and expensive to maintain, and it is not profitable to operate at full capacity. Possibly the reason why it is not running at full capacity is that in the particular neighborhood there is not sufficient labor, and labor must be paid more to induce it

to come there, so as to get the additional production.

I believe that the criticism of the Senator from Michigan is justified. I think the thing is left wide open to the Expediter to decide what the base is to be. It might be prewar production. It might be present production. It might be capacity. It might be capacity of certain qualities. The Expediter might make a general rule. He might make many different rules. It must be admitted, therefore, that the provision is fairly wide open. Still, the general principle that a producer may be paid a premium only on increased production above something is a limitation of real value to those who do not want the program to go haywire.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. I should like to ask the able Senator, to whom we are all greatly indebted for his good work on this legislation, two questions.

First, is there any limitation on the value of the house which a veteran may build under the terms of this bill?

Mr. BARKLEY. This plan contemplates houses costing \$6,000 and under. There is another stepped-up category, up to \$10,000, but this program is intended largely to cover houses, the cost of which does not exceed \$6,000.

Mr. PEPPER. At the appropriate time I wish to ask consideration by the Senate of the wisdom of that provision. My own impression is that it is unwise to impose any financial limitation on the cost of the house. I know that in my State hardly any kind of a house can be built for less than \$10,000. If a man were a lawyer or a member of one of the other professions, and had a moderate income, he might not wish to make an unwise investment by building a cheaper house. Today, a \$6,000 house is not much of a house.

Mr. BARKLEY. The bill itself imposes no financial limitation.

Mr. PEPPER. For all practical purposes, there is a limitation.

Mr. BARKLEY. It is brought about through the exercise of the priorities under the jurisdiction of the Expediter. In certain cases he may go as high as \$10,000. But we realize that this program is intended largely for the veteran of moderate or low income. It is not intended to get into the high-priced category of houses. The veterans for whom we are seeking to enact this legislation do not, as a rule, belong in that category.

Mr. PEPPER. If the Senator will further yield, we must remember that this is not an automobile which the veteran is buying, and which will last 2 or 3 years. The veteran is buying a home in which, in many cases, he expects to spend the rest of his life and raise his family. In my opinion, we impose upon him an uneconomical purchase if, for all practical purposes, we limit the cost of the house to \$6,000. I would rather see a limitation of, say, \$25,000. There would not be a large number who would want to build houses costing as much as \$25,000. But if a veteran is able, on a long-time purchase basis, to undertake

the construction of a \$25,000 house to be his home for the rest of his life, I think he is entitled to it. I do not believe that the number of houses which would fall in the higher cost category would appreciably limit the capacity of the country to afford the necessary materials and labor for the other type of houses.

That is the first inquiry which I wish to make.

Mr. BARKLEY. Let me reply to that question. In the first place, if a veteran belongs in the \$25,000 category, he can buy a house from anyone who has one to sell. There is nothing in this bill which would prevent him from buying a house anywhere he wanted to buy it.

Mr. PEPPER. Provided he pays two prices to the man who owns the house.

Mr. BARKLEY. He is not compelled to buy it. If he is in the \$25,000 category he is not in great need, in the same sense that those in the lower income categories are in need. We are trying to do something to help veterans of low and moderate incomes to buy homes. It may be that in many cases a veteran might not buy as expensive a home as he might like to buy. He might contemplate that when his family increases a little over a period of years he would like to sell his house and build or buy another. But we are trying to meet an immediate need among a large category of veterans who are now wandering around with their families, trying to find places to live. When a veteran gets into the \$25,000 class, I think he is not in great need. If he is in that class, he has a better chance than the average veteran does to buy a home by means of a voluntary transaction.

Mr. PEPPER. Mr. President, when I referred to a house in the \$25,000 class, I mentioned that as an extreme maximum in the present period of inflation in real estate. We all know that today a house sells for roughly twice as much as it would have sold for in 1940; that when a man buys a house for \$25,000 today, he is obtaining what is practically a \$12,000 house, and that a man who buys a house for \$6,000 today is obtaining one which would not have cost more than \$3,000 before the war. But I do not believe the average veteran would want to limit himself to a house in the latter category. I want to see such small houses built; of course, we all do. It may be that if my figure of \$25,000 is too high, I would suggest \$20,000. But I do not think a house selling for \$20,000 today is in the luxury class.

I think we should think of the veteran who wishes to obtain a house for himself and his family. He has as much right as anyone else has. Perhaps he or his wife has saved a little money, and perhaps they wish to buy a house in the \$20,000 class. I do not think such a house is the sort that would be purchased by wealthy people, in view of the inflated real estate prices of today. That is why I suggest a limitation of \$20,000 or \$25,000.

Mr. BARKLEY. No limit is contained in the bill itself, and the Expediter could provide for a change as priorities become necessary. But the problem is to get

houses for the larger group of veterans who do not belong in that classe.

I realize that there is inflation in the price of real estate. That is why we inserted the provision that after the first sale of a house, there shall be no increase in the price if and when it is subsequently resold. That provision is inserted because of the present spiral in real estate prices, for in many cases the prices of houses have risen 75 or 100 percent. There have been frequent turn-overs, and in many cases they have involved price increases of 50 percent, 75 percent, or 100 percent. We feel that subsequent sales should be made at substantially the prices provided under this bill for first sales.

Mr. PEPPER. I am in favor of that.

Mr. President, my attention was called to the case of a veteran at Miami, Fla., who wished to build a house in an undeveloped area. He tried every Government agency—the FHA and every other Government agency he could contact—in his effort to obtain assistance in building the house at the place where he wished to build it. But none of the Government agencies would lend any money on a house built in that area, and the FHA would not lend any money unless his house was to be one of a group of houses built in an approved area. I am not blaming that policy on the FHA; but inasmuch as this bill has been declared by the committee in its report as a veterans' housing program bill, I wish to ask the Senator from Kentucky if it is clear that the veteran will be judge of where he wants to build his own home, and that no governmental agency will be able to tell him where he has to build it.

Mr. BARKLEY. Of course, Mr. President, the veteran will be the judge of where he wishes to have his home built and of whether he builds a house at all, if he is building it himself. The only difficulty which might arise in respect to the desire of a veteran to build what the Senator from Florida referred to a while ago as an expensive home would be whether he could obtain priorities on account of the shortage of materials. But there is nothing in this measure or any other measure which would prevent a veteran from buying a lot anywhere he wanted and from building a house on it if he could obtain the materials.

Mr. PEPPER. I think there is, because the FHA will not give him insurance on it if it is not in a group of houses in an approved location.

Mr. BARKLEY. However, that is another matter, which is not dealt with in this bill.

Mr. PEPPER. I wish to have it dealt with in this bill, because I want the Congress to provide in this measure that if a veteran desires to build his home on a site which he approves, he will be able to build it there without having anyone else approve the site.

Mr. BARKLEY. I say to the Senator that the situation to which he refers exists on account of the housing program throughout the war.

Mr. PEPPER. I desire to have a statement on this matter placed in the RECORD, so that if the administrative agencies have this matter brought up, the RECORD

will show that it is the intention to have this program and the benefits under this measure available to a veteran who wishes to build a house wherever he wishes to build it.

Mr. BARKLEY. Certainly.

Mr. PEPPER. Very well. I think that will be taken as authoritative in regard to the intention of the committee and of the Congress.

Mr. FERGUSON. Mr. President, I should like to return to the matter we were discussing. On page 39, in line 12, this provision is found:

(1) Premium payments shall be used temporarily only with relation to additional units of production beyond that otherwise attainable, where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

My point is that it would appear to me that that provision simply means that the Expediter could pay the premium whenever in his discretion he believed that the payment of more money to that producer would result in the production of more materials, because the provision ends in line 16 with the words—

or certainty than other available methods.

If any other available methods will result in the desired production, the manufacturer or producer will not receive any premium payments for obtaining additional production by means of the use of better machinery, more men, or more highly skilled men. Premium payments will be made only if money alone will operate to provide the increased production. Is that correct?

Mr. BARKLEY. The incentive to produce more is money. That is the incentive of premium payments. Of course, the words "additional units of production beyond that otherwise attainable" must be interpreted reasonably. It is impossible in this measure to catalog all the methods by which production of additional units may be attained. But if it is necessary to use the method of premium payments in order to obtain production in addition to that otherwise obtainable by any other method, the Expediter is authorized to make such premium payments—and if the increased production is attained with greater rapidity, economy, or certainty than by other available methods. Those two conditions must be tied together.

The other available method might conceivably be an increase in prices. That would be one way by which increased production might be brought about; it would be another available method. That is why the Expediter is authorized, whenever he thinks it necessary, to order the Price Administrator to increase prices.

It might be that the construction of an addition to a factory would be another method of obtaining increased production, but the Expediter is not authorized by this measure to finance the construction of an addition to a factory. If the owner of a factory enlarged it, and if he were willing to enlarge his plant and increase the production of the plant on the basis of obtaining for the new products the same rate of pay while he obtained for the ones he had been turn-

ing out, of course he would not expect the premium payment—although if that were the inducement which led him to enlarge his factory, he would be entitled, just as anyone else would be, to have the current price increased over and above the price which he received for the products he had been producing.

Mr. FERGUSON. It is a fact that this measure gives the Expediter the right to order the OPA to grant an increase in price. That being true, under the section I just read, provision is made for an increase in price in order to increase production. Does the Senator think such a provision will deter the Expediter from ordering the OPA to increase prices in order to obtain greater production? It seems to me that the Expediter would say, "I will use the \$600,000,000 to provide an increased price to be paid to those from which I wish to obtain increased production," rather than to use it to provide for an increase in price all across the board as the result of an order by the OPA.

Mr. BARKLEY. I do not think so. The Expediter will have to grant an increase to all in a certain category; it will have to be uniform. He could not pick out one or two lumber mills or brickyards. The increase must be uniform. There is to be uniformity of eligibility.

If the operator of a given plant or factory saw fit to enlarge his plant or to build an extra shed or something of the sort, in order to increase production, he would not obtain any financial assistance from the Expediter in connection with increasing the size of his plant. But he would receive a premium payment for all production which represented an increase caused by the increase in the size of the plant.

Mr. FERGUSON. Mr. President, I am sorry that I cannot see that under this clause the Expediter would be compelled to make the premium payments to anyone to whom he did not in his discretion want to make them. It seems to me he could always say, "In my opinion you can increase your production regardless of an increase in pay, and therefore I will pay only the one who I believe can only by an increased payment produce more." That would be a detriment to a price raise across the board.

Mr. BARKLEY. The Senator is assuming that the Expediter will go to someone and say, "I do not want you to increase your output because I do not want to pay you any premium." But, if the producer does increase his output he is entitled to the same consideration that every other producer of a similar article is entitled to receive. I do not think the bill would give the Expediter any authority to act arbitrarily.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILLIS. In the event that a premium payment is allowed to a producer so as to stimulate the production of articles of which there is a shortage, and he transfers all his operations to the production of an article with reference to which a premium is allowed, and as the result a shortage should develop along other lines, what would be the remedy?

Mr. BARKLEY. Does the Senator mean that the producer has a plant in which he is producing brick and lumber, and that if there is a greater shortage of brick than there is of lumber, the operator of the plant would start producing brick altogether, and therefore he would receive a premium on the increased output of his brick? Is that the situation which the Senator has in mind?

Mr. WILLIS. Let me put it in this way. Suppose the operator of the plant is producing flooring which is needed. Also assume that we are short of siding.

Mr. BARKLEY. If there was a greater shortage of flooring than there was of siding and the Expediter felt that there was a greater need for an increased production of flooring than of siding, he would be entitled to grant a premium payment for the increased production of flooring. Although I do not think that the Expediter would be authorized to enter into a contract by which any producer would cease producing a certain article in order to concentrate on the production of another article and receive a premium on the larger production.

Mr. WILLIS. There is no protection in the law against it.

Mr. BARKLEY. No; but the Senator must assume that the Expediter will exercise his authority in a reasonable and common sense manner. We cannot always write into the law provisions which will take care of every situation which might conceivably arise with respect to the execution of an official's authority.

Mr. WILLIS. The question in my mind is whether we will not make confusion worse confounded.

Mr. BARKLEY. No; I do not believe so.

Mr. WHERRY. Mr. President, with further reference to the question which was propounded by the Senator from Michigan as to the method by which the Housing Expediter might go to a certain producer with the offer of an incentive payment, I understood the answer of the majority leader to be that the Expediter would not make such a selection, but that the increase would be applied industry-wide.

Mr. BARKLEY. That is correct.

Mr. WHERRY. I suggest to the majority leader that at the present time where they are justified, we are granting increases in prices on application. Allow me to give an illustration. Here is a producer or a distributor—will the Senator from Kentucky give me his attention?

Mr. BARKLEY. I am listening.

Mr. WHERRY. The gentleman sitting near him can give the Senator the answer later on.

Mr. BARKLEY. If the Senator is trying to be facetious, and smart alecky, he may do so, but I was asking the clerk who sits near me to what section of the bill the Senator was referring.

Mr. WHERRY. There is no section in the bill that has anything to do with what is the continual practice of the OPA. I do not mean to be facetious, but I do wish the Senator to give me his attention.

Mr. BARKLEY. The Senator did not have to say that I was getting the answer

from the gentleman sitting beside me. If I get the answer and it is correct, I do not see what difference it makes whether I get it from the gentleman who sits beside me, or from what source it may come.

Mr. WHERRY. Now the Senator is being facetious.

Mr. BARKLEY. Has the Senator completed his statement?

Mr. WHERRY. Yes. I suggest to the majority leader that the OPA is continuing to follow the practice to which reference has been made, and for many months has deliberately awarded an increase of a certain price to an individual, whereas his competitor across the road could not obtain it. The competitor was putting into effect within his plant an efficient production schedule, and making an article needed in building construction. He could not obtain an increase in the price which he charged for the article, but the man across the street who was engaged in the same kind of production was allowed an increase.

Mr. BARKLEY. Of course, the Senator is talking about the OPA which operates under a law authorizing it to deal with hardship cases. There is no hardship provision in this bill. The Expediter may not go to a brick or lumber manufacturer, or plywood manufacturer, or the manufacturer of some other material and say, "You are in hard luck, old boy; I want to give you an increase in price, or give you a premium." The OPA can deal with individual cases in which hardships are involved, but the pending measure does not make provision for such procedure.

Mr. WHERRY. Mr. President, there is no provision in the bill which would prevent the Housing Expediter from following such a procedure.

Mr. BARKLEY. There is a provision which says that premium payments shall be uniform.

Mr. WHERRY. Yes, but only to the extent of 30 percent of the entire material.

Mr. BARKLEY. The entire premium payments may not go beyond 30 percent of the whole. That does not mean that discrimination may be practiced. The entire amount may not be more than 30 percent of the entire production.

Mr. WHERRY. Under section 2 of the bill the Expediter may grant increases by the incentive price method.

Mr. BARKLEY. Oh, no.

Mr. WHERRY. I withdraw the word "incentive." I refer to the flexible pricing system which is now in effect.

Mr. BARKLEY. Under the section to which the Senator refers the Expediter may order and compel the OPA to grant an increase in price. That has nothing to do with incentive payments. The same rule would apply as would apply to any other increases in price. However, that is different from incentive payments. The incentive payment is uniform.

Mr. WHERRY. I agree with the Senator, but the method is the same as the one which is being suggested in the pending measure. The very method which is described in section 2 in connection with increasing over-all prices is the method used by the OPA at the present time.

Those matters arise under individual applications.

Mr. BARKLEY. That is true. They may arise under individual applications which would apply in hardship cases, but they may also come up under industrial applications which would apply to all industry of a given type in a given region. There was, for example, an application with reference to the Western Pine Lumber Association, which was separate from the one made by the Southern Pine Lumber Association. Each made individual applications. Their freight rates may be different, and other factors which enter into pricing may be different.

Mr. WHERRY. We not only have the Western Pine Lumber Association, but also thousands of individual applications asking for price increases.

Mr. BARKLEY. I presume that in ordering the Price Administrator to increase prices the Expediter would be governed by the same background and the same foundation as would be considered in connection with increases which are allowed now.

Mr. WHERRY. That is right. So, in those cases in which increases should be granted, the one who makes the application, as pointed out by the Senator from Michigan, will be granted an increase. So in reality the Housing Expediter does have such control and will grant an increase where he thinks it is necessary.

Mr. BARKLEY. He has the authority to do so.

Mr. VANDENBERG. Mr. President, I wish to revert to the language which my able colleague was discussing.

Mr. BARKLEY. To what page does the Senator refer?

Mr. VANDENBERG. Page 39, in line 12. "Premium payments shall be used temporarily only" under certain circumstances. What are those circumstances? Only when there is no other way to get greater rapidity, or economy, or certainty in the production of housing? Does the language mean that premium payments are the last recourse after other methods of stimulating production have been exhausted? For example, does it mean that if repricing would produce increased production more rapidly than would premium payments, the Expediter would be instructed to use repricing?

Mr. BARKLEY. I think this language is bound to be construed to mean that premium payments are, in effect, the last resort, where other methods, reasonable methods, have been exhausted. I do not mean to intimate that an enormous price increase should be put into effect in order to induce someone to increase his production. It should be done on the reasonable and proper and ordinary market value of a thing in order to get the necessary materials for which the veteran, whose homes we are seeking to construct, would have to pay. It would lead to an unconscionable tax upon him if the Expediter should compel the OPA to authorize an unreasonable increase in the price of something in order to bring it on the market, where it would increase the cost of the houses which we are seeking to have built. I think the language here means, in effect, that all other rea-

sonable means must be exhausted before the premium payment is put into effect to bring about rapid and economical production.

Mr. VANDENBERG. If the Senator's interpretation is correct, it would remove about 80 percent of my prejudice against the incentive-payment idea.

Mr. BARKLEY. I am disappointed to find that the Senator has any percentage of prejudice.

Mr. VANDENBERG. I do have nearly 99.47 percent. I am that pure in my approach to the subject.

What I had feared was that this would be read as authorizing an immediate excursion into premium payments, willy-nilly, regardless of whether under section 2 (b) (2) perhaps the result could be achieved a little better, more rapidly, and with reasonably comparable economy, by repricing. Now, as I understand the Senator he would say to me that if repricing could produce greater production with equal or greater rapidity and within a reasonably economic range, it would be the duty of the Expediter to experiment with repricing before he experimented with premium payments.

Mr. BARKLEY. Yes; but that would naturally be subject to this qualification: If in any case the process through which repricing would be available would bring about such a delay as to nullify the word "rapidity," I think the Expediter would not be justified in waiting an interminable length of time in order to bring about repricing, and get all the facts that would justify it. In that case the terms in which this language is couched would not be fulfilled, but if he can get it with rapidity, with economy, and with certainty, I certainly think it should be restored to before the premium method is indulged in.

Mr. VANDENBERG. Of course, it does not say with rapidity and economy and certainty. It says with rapidity or economy or certainty.

Mr. BARKLEY. Any one of them is important.

Mr. VANDENBERG. The Senator's construction is very interesting to me, and I hope that if the bill is passed we are to proceed under the general interpretation which he indicates.

Mr. BARKLEY. I appreciate the Senator's question and his comments. Of course, the Senator knows I am always interested in his opinion and glad to have his intellectual alacrity brought to bear upon any bill with which I have anything to do.

Mr. HICKENLOOPER. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield, although I wish to yield the floor pretty soon.

Mr. HICKENLOOPER. This matter of repricing as a means of attaining production is certainly one which has appealed to me as being a very important element. I am not at all satisfied, and was not in the committee, with the \$600,000,000 subsidy, or, as it is called, premium payment, which is a new, fancy name for subsidy, in my opinion, but amounts to the same thing. It is a payment of public money in order to acquire a certain production result. If that were necessary to acquire increased pro-

duction, that would put a different light on it, in my opinion, but I cannot satisfy myself that the payment of premiums will increase production.

Let me give the Senator an illustration. I have some examples on my desk now of the situation I am about to describe, statements of some millwork companies, which today are producing about 25 percent of their capacity. They are old companies, some of them as old as 50 years. They cannot produce more than about a quarter of their capacity because they are losing as much now as they can afford to lose and keep their doors open. If they had a price that equaled at least the cost of production, they would be producing today, as I understand, at full capacity, without any premium payments.

There are lumber mills in certain places which today are completely shut-down because, as I am informed, they cannot produce and get their money out of the product. The OPA refuses to allow them a price which equals at least cost of production plus a modest profit.

The reason why I am confused about the premium payment proposed is that I cannot see how it will help the condition I have cited involving extra cost of production. I cannot see how a premium payment will cause extra production over and above the normal production on the part of those who, I am convinced in many instances, are at present losing money. I cannot see how the Expediter is going to work that out.

Mr. BARKLEY. Has the Senator finished?

Mr. HICKENLOOPER. I am asking a question. In other words, if a man is in half production today and losing money, if he increased the other half—

Mr. BARKLEY. There is a question of how many are losing money, and what they are losing is a matter in dispute.

Mr. HICKENLOOPER. I am not asserting they are all losing money.

Mr. BARKLEY. In the case to which the Senator refers the company would receive a premium payment upon the increase above what it is producing now. It would have that incentive to increase its production, and when it added its increased production to its present normal production, and then added the incentive payment to the price which it is now receiving, the average it would receive would be greater than it is now obtaining. It may be that in that case there should be an increase in price.

Mr. HICKENLOOPER. That is what I am inquiring about.

Mr. BARKLEY. It may be that there should be an increase in price, but if there is no increase in price, and the plant increase its output, it will receive for the added production, over and above what it is now receiving on the market, the premium which will be paid, the addition of which will raise the average price of all it produces.

Mr. HICKENLOOPER. If a plant is producing today at 50 percent capacity at a loss, certainly there is no inducement for it to go ahead and produce 100 percent capacity, if on the last 50 percent it gets only enough to keep its nose above water.

Mr. BARKLEY. If it got a premium on the last 50 percent—

Mr. HICKENLOOPER. If it could stop making the first 50 percent and concentrate on the last, it would be all right.

Mr. BARKLEY. A man might produce what he is already producing at a loss, and if the premium he gets on the amount by which he increases his production would raise his average so as to put him in the black instead of the red, he certainly would be helped by the situation.

Mr. HICKENLOOPER. I had hoped the arrangement would be put on this basis—and I am not saying the Senator from Kentucky is putting it on any basis other than what is required by the bill—that, taking 100 percent of capacity, in the case of a plant, or an establishment of any kind, operating, for instance, on the basis of an 8-hour day or 40-hour week, the premium payment would be used to induce that plant to go, for example, on a 48-hour week, or a 52-hour week, and the increased cost over and above the cost of the 40-hour week would be taken up by the premium payment. That, of course, would presuppose that the 40-hour week was profitable for the company. If a 40-hour week should be unprofitable, if the plant could not make money on its product at the price allowed, then certainly the increased increment over and above 40 hours to 48 hours a week would not bring them out of the red.

Mr. BARKLEY. In that case suppose the plant is running on a single shift. We might even say that it is running at full capacity on a single shift, but by doubling the shift or trebling the shift it could produce more. It would be entitled to a premium on the amount by which it increased, by employing two or three shifts, what it was producing by the use of one shift.

Mr. HICKENLOOPER. As I understand, it would be entitled only to the increased dollar cost of running two shifts or three shifts as compared to the cost of running one shift.

Mr. BARKLEY. The premium payment accorded by the Expediter would be a uniform payment to all those eligible in the particular industry, whether they were running one shift or three shifts. Therefore, it would not be predicated so much on a dollar basis of pay, or on a 40-hour basis. The Expediter would base his premium payments upon whatever he thought was reasonable to induce increased production, and whether the increased production were brought about by doubling the shift or trebling the shift, or by any other method by which the production was increased, the plant would be entitled to the premium upon the excess amount.

Mr. HICKENLOOPER. I have understood the discussion today on this matter, but I was not in the committee when that particular phase of it was considered. It was my understanding in the committee that it was to be used to take up or to compensate for the extra cost over and above the normal, ordinary process necessary to produce an article.

Mr. BARKLEY. That might be true in a case like the one cited. It might cost more per unit, temporarily, based

upon a two- or three-shift day, than on a one-shift day, and there might be increased cost per unit for awhile. In every reorganization and reshuffling of a plant there is necessarily an increased cost per unit.

Mr. HICKENLOOPER. Getting back to the question of price, let me say that I have always been of the opinion that with the known demand by the public for building materials of all kinds, action should have been taken long ago. Letters I have received from lumber plants, the retail outlets, say that people come into them every day wanting lumber, but they cannot furnish their customers with lumber. The lumber producers say, "We could be producing and our mills would be running; we would rather have our plants operating than being idle, but we cannot operate and turn out the lumber in many instances at a profit at all. We have to turn it out at a loss. Therefore we cannot produce."

It would seem to me that some months ago we should have tried out at least a price adjustment between, for instance, rough lumber and siding, or rough lumber and flooring, to see whether that would not start production. It is my opinion, based upon the information I have been able to obtain from the retail outlets and from the mill operators themselves, that the wheels would have been turning 100 percent and they would have been getting somewhere near the 30,000,000,000 board feet capacity which they have, if that plan had been tried out.

Mr. BARKLEY. That is a speculative matter. I once delivered a speech in which I speculated upon what would have happened in the world if something else had happened which did not happen. It is a very interesting field for speculation. One could speak on ad infinitum and almost ad nauseum on that subject. But I cannot answer that. I do not know what would have happened if something had happened 6 months ago that did not happen.

Mr. HICKENLOOPER. It is quite a serious question in our economy.

Mr. BARKLEY. We all know, regardless of the criticism that is heaped on the OPA from day to day, that the process by which they obtain information in order that they may render a decision on a matter is sometimes long drawn out. I myself have complained at times because it took them too long to reach a decision, but I think they try to get the facts before they reach a decision.

Mr. HICKENLOOPER. Have we any assurance that the Expediter will use any different method than the governmental-machinery method the OPA has used? If he does not, we will never get around to expediting the building of houses.

Mr. BARKLEY. The very title "Expediter" carries with it the connotation of expedition.

Mr. HICKENLOOPER. It is a nice word.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BUCK. Is it not the understanding of the Senator from Kentucky that the Expediter has the authority to raise

to the manufacturers the sales price of their goods even over the objection of the Administrator of OPA?

Mr. BARKLEY. Yes. We have been discussing that today, I will say to the Senator. The Expediter in this bill is given authority to compel the OPA to do so.

Mr. BUCK. And if he exercises such authority there will probably be very little need for the use of any of the \$600,000,000 provided in the bill?

Mr. BARKLEY. That will depend. He has to feel justified that in any individual industry the price increase is a proper one, and that it will not increase the ultimate cost to the veteran so greatly as to prevent the economy in construction costs which we are seeking to attain. But the Expediter does have full authority with respect to any industry to order the Price Administrator to increase prices, and the Office of Economic Stabilization cannot nullify the Price Administrator's order.

Mr. BUCK. He ought to have that authority, and I contend that if he uses it he will not have much need for the money provided in the bill.

Mr. BARKLEY. I think he can minimize the necessity for using this fund by the exercise of the power we have given him.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I have understood all along that this is a bill to provide housing for the ex-service men at reasonable cost. But all the argument I have heard here since 12 o'clock is concerned with the profit that is going to be made by the manufacturer, the contractor, or the lessor of the house after it is built.

Mr. BARKLEY. I hope the Senator will not say "all the argument" he has heard here today.

Mr. AIKEN. I mean all the argument directed at the Senator from Kentucky, if that will please him any better?

Mr. BARKLEY. Yes.

Mr. AIKEN. I wondered if the committee had any testimony to the effect that the \$600,000,000 would result in holding down the cost of the houses to the servicemen, and whether weight was given to the possibility that the subsidy might enable the serviceman to get a house at a price within his reach.

Mr. BARKLEY. I stated earlier in my remarks in my effort to explain the bill, that without this \$600,000,000 the increased cost of building materials going into the houses we seek to build for veterans would be \$2,200,000,000, and that that would come out of the pockets of the veterans, which would average about \$500 a house they would have to pay over and above what they would have to pay if, out of the Treasury, it should be found necessary to spend all the \$600,000,000 provided by the bill. I emphasized that fact, and it was emphasized in the testimony before the committee, and the committee not only took that into consideration, but I think acted upon it in a wise and judicious manner.

Mr. AIKEN. I thank the Senator from Kentucky. I am very glad—

Mr. BARKLEY. In view of the fact that we are seeking to provide houses

for veterans who went away from their homes and fought all over the world, leaving civilians at home to occupy all the houses which were available, and which are still available, it seems to me, that as a part of the war obligation which we owe to them we ought not to quibble about the possibility of spending \$600,000,000 to get 2,700,000 homes for them—and even that number is not sufficient—rather than require price increases on building materials in order to build these homes that would cost them an aggregate of \$2,200,000,000. That is the way I feel about it, and that is the way I believe the committee felt about it.

Mr. AIKEN. I am glad to have the explanation of the Senator from Kentucky, and to learn that, after all, the matter of homes for veterans is the prime motive of this bill rather than the matter of profit for contractors.

Mr. BARKLEY. Absolutely. This bill would not be here if it were not for our desire to provide homes for veterans.

Mr. AIKEN. I realize that.

Mr. BARKLEY. And if it were not for the fact that the overwhelming testimony, the uncontroverted testimony is that they need these homes and need them now.

Mr. AIKEN. Every one of us knows that they need them.

Mr. BARKLEY. Every one of us knows that they need them. We do not even have to have testimony to show that.

Mr. AIKEN. I realize that a manufacturer, or one engaged in the business of real estate, or the lessor of a home has to make a profit in order to live, but I think that we should consider this bill primarily from the point of view of the effect it will have in providing low-cost homes for the servicemen who, as the Senator has suggested, have fought for this country all over the world, and now come home, some of them bringing with them new families, and finding no place to live except to go home and live with the mother-in-law or with some other relative.

Mr. BARKLEY. I might say that even if we complete this program and build 2,700,000 homes for veterans at the end of 1947, there will still be about 2,000,000 families living in doubled-up accommodations, and most of them will be veterans.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AUSTIN. I desire to ask a question for information. In the paragraph which is being discussed on page 39, lines 12 to 16, it seems to me that the important word is "certainty." I should like to have the distinguished Senator's views about its use here. To bring that out I ask this question: Will it not be true in the operation of this act that always, under any and all circumstances, premium payments will be "necessary to stimulate such additional production with greater * * * certainty than other available methods"?

Will not that always be so?

Mr. BARKLEY. Of course, there are a great many elements which enter into this matter. One is economy. I have already alluded to that. The economy we are talking about here is the economy

to the veteran in the purchase of his home. Undoubtedly the payment of premiums that hold down the over-all price of building materials will result in the building of a house that will be more economical to him. The testimony shows, and the facts are, that it will make a difference of about \$500 in the cost of a house ranging in cost around \$6,000. These premiums are to be paid "where such premium payments are necessary to stimulate * * * production with greater rapidity," with greater economy—the economy being to those who are going to buy these homes, and greater certainty. That is, we are actually going to accomplish that. We do not have to speculate about it. If those things, or any one of them—rapidity, economy, certainty—form the background for the payment of these premiums, then the premiums will be justified and be paid.

Mr. AUSTIN. Does it not lead to the conclusion that the premiums will be paid in any event, because of the word "certainty"?

Mr. BARKLEY. I think the chances are that the premiums will be paid up to the amount involved in the bill. I myself hope they will be paid, because it will result in enabling the American ex-serviceman for whom we are seeking to legislate, to buy a home more economically than he could buy one if he had to pay the increased cost of building materials.

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield?

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. WHERRY. If I correctly understand the majority leader, no attempt will be made to adjust prices, as provided for in subsection 2 on page 22?

Mr. BARKLEY. The Senator did not correctly understand.

Mr. WHERRY. Let me ask the majority leader a question. How can he harmonize subparagraph (1) under subsection (b) on page 39 with the statement which he made this morning, that he expected that the incentive program would be started immediately because it would be impossible to make price adjustments in time?

Mr. BARKLEY. I have never contemplated, and I do not now contemplate, that the Expediter will resort only to price increases, notwithstanding the authority which he would have to order the OPA to increase prices. I do not expect him, and I would not want him, to resort solely to the device of price increases, because that would result in an additional expense to the veterans in whose behalf we are legislating of \$500, on the average. But that does not mean that under certain circumstances and in certain categories the Expediter may not order an increase, when he thinks it is justified, and when it may supplement the program which we are outlining by the provision for premium payments.

My reply to the Senator from Vermont is in no way to be interpreted as meaning that the Expediter would never use the authority given him on page 22, be-

cause if he never expected to use it there would be no point in putting it in the law.

Mr. WHERRY. I gather from the remarks of the distinguished Senator that he wants to afford relief to the veterans, and that he believes that the best way to do it is through incentive payments.

Mr. BARKLEY. I think that is the most rapid way to do it.

Mr. WHERRY. That brings me back to the question which I asked earlier. There is no inducement to the Housing Expediter to raise prices or to afford an opportunity for the production of lumber on the profit motive basis, by increasing prices, because the Expediter will use the incentive route.

Mr. BARKLEY. The Housing Expediter is not going to take over the functions of the Price Administrator. He is going to act in cases in which he thinks he should act. He is not going to assume the over-all duties which are incumbent upon the Price Administrator. These two things go along together. My own judgment is that the incentive payments are more important, and that they will produce houses more rapidly, more certainly, and with greater economy to the veteran than would price increases if we could bring them about tomorrow in every field of building materials. That is what I think about it. Therefore I hope that he will not necessarily use the whole \$600,000,000, but that the Expediter will use it insofar as it may be necessary to bring about the production of building materials and the construction of houses for veterans so that they may purchase them without unnecessary price increases.

Mr. WHERRY. Mr. President, will the Senator yield for one further question?

Mr. BARKLEY. I yield.

Mr. WHERRY. In the light of that explanation, taking the language on page 39, in subparagraph (1) of subsection (b), with respect to what materials—lumber, brick, or other materials—would the Senator start immediately to make incentive payments in order to obtain production? The language, on page 39, is:

Premium payments shall be used temporarily only with relation to additional units of production beyond that otherwise attainable.

Mr. BARKLEY. I do not know on what building materials the Expediter would first pay a premium. I do not know that he would know the answer to that question if he were asked.

Mr. WHERRY. He could not know until he gave opportunity, under subparagraph (2), on page 22, to get production on the profit-motive basis.

Mr. BARKLEY. He is supposed to exercise his authority with some common sense and judgment. He certainly would not throw the \$600,000,000 out the window and then say to Chester Bowles or Paul Porter, "Increase all prices. We want to build houses, no matter what it costs." We do not expect him to do that.

Mr. WHERRY. I think the answer is that he will pay the incentive rather than raise prices. That is the point which I made earlier in the discussion.

Mr. BARKLEY. It may be. I cannot predict what he will do.

Mr. WHERRY. There is no language in the bill to compel him to exercise control and ask the Price Administrator to give us a flexible pricing system which will allow production at a profit based upon current costs. He merely starts with an incentive program. If I correctly understand the distinguished Senator's interpretation, he starts in violation of the provision on page 39, in subparagraph (1) of subsection (b), which provides for the use of incentive payments only when it has been demonstrated that he cannot get production under a price-fixing program, which he could compel the Office of Price Administration to initiate.

Mr. BARKLEY. I am not predicting, and I doubt if Mr. Wyatt—if he is to continue as Expediter—could predict now how many price increases he will recommend to the OPA or order to be put into effect. I do not know. Neither do I know upon what commodity he will first begin to make a premium payment, or whether he will use the whole \$600,000,000. No one can prophesy about that now. But we have placed this particular provision in the bill so that he may exercise that authority if in his judgment there ought to be price increases in certain categories of building materials, and I am sure that he will exercise the authority with judgment and discretion, and with fairness toward all concerned.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. Earlier in the day I called the Senator's attention to subsection (d) of section 7, on page 31, which has to do with a violation of the regulations, and a civil action by the buyer against the seller. I ask the able Senator if he feels that that paragraph is clear. It does not seem clear to me. While this is perhaps a very small subject, it seems to me that that paragraph should be rewritten if it is to be included in the bill.

First, it provides that the buyer may have 1 year in which to bring action. On the next page, page 32, it is provided that if the buyer fails to bring an action within 60 days the Expediter may bring such action on behalf of the United States; but it does not say to whom the damages shall go if the Expediter brings the case, and it does not say whether the Expediter shall recover treble damages, as would the buyer. It seems to me that that provision should be rewritten if it is to remain in the bill.

Mr. BARKLEY. I thank the Senator. That provision may need some clarification, and I shall be glad to give it thought.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. A number of times the able Senator from Kentucky has referred to what will be done for the veteran, and for the benefit of the veteran. Of course, the bill bears the very attractive title of "Veterans' Emergency Housing Act." Is not the bill for the purpose of providing housing for all persons, veterans as well as nonveterans?

Is it not for the benefit of all the people of the country?

Mr. BARKLEY. This bill is for veterans.

Mr. REVERCOMB. For veterans only?

Mr. BARKLEY. Yes. That does not mean that others may not obtain houses; but the priorities to be issued are to be in behalf of veterans.

Mr. REVERCOMB. I invite the Senator's attention to page 28, under subsection (b) of section 4. I read beginning with line 9:

(d). In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, (2) the need for the construction and repair of essential farm buildings, and (3) satisfying the housing requirements of veterans of World War II and their immediate families.

Mr. BARKLEY. Clauses (1) and (2) were placed in the bill by the House. When we added clause (3) the draftsmen failed to put it in its proper place. Clause (3) belongs where clause (1) is. I will say to the Senator that it is my purpose to transpose those clauses so as to give emphasis and priority to veterans and their families.

Mr. REVERCOMB. I thank the Senator. As the bill is written, the veteran is not given priority. He is put in third place.

Mr. BARKLEY. That subsection as it appears in the bill gives a false impression. Due to a mistake in draftsmanship clause (3) was not placed where it should have been placed.

Mr. President, I have taken more time than I intended to take. I feel that this bill, with the provision for incentive payments, will bring about increased production of building materials more readily, more economically, and more certainly than would any other method that has been devised or that can be devised. Therefore I hope that the Senate will adopt that provision of the bill.

There has been a pyramiding of the prices of existing houses. A survey was made all over the country, in approximately 100 cities, to ascertain the facts as to the increase in prices of existing houses. The reports which were made showed that since 1941 existing houses have increased in price all the way from 25 to 100 percent, and in some cases more than 100 percent; and that even since VJ-day prices of existing houses have increased from 10 to 25 percent. Therefore we have placed in the bill what seems to me to be a very mild ceiling on the prices of existing houses. There is no ceiling on the first sale. A man who owns a house for which he paid \$5,000, 5 years ago, or 3 years ago, may sell it for \$15,000 or \$20,000 if he can find a purchaser. But after that sale the price may not be increased over that ceiling during the life of the act, which will expire at the end of 1947.

Inasmuch as the same situation exists with respect to building lots in cities and the outskirts of cities contiguous thereto, which are suitable for subdivision, and inasmuch as the price of the lot enters

into the ultimate cost of the property and determines the ability of the veteran to buy a home, we have made the same provision with respect to unimproved building lots in cities and on the outskirts of cities, which are subject to subdivision, so as to provide that after the first sale of such a plot of ground following the enactment of this legislation—and the first sale may be at any price agreed upon between the purchaser and the seller—thereafter, during the life of this act, that price shall be the ceiling for that particular lot. In the cases of houses, the customary commissions are allowed in addition to the price, and allowance is made for any substantial improvements which the owner has made to the property during his ownership.

Mr. President, I apologize to the Senate for taking so much time. I hope that the questions and answers have been helpful, and I hope that we may speedily enact this legislation to bring about the remedying of a very great—and in perhaps hundreds of thousands of cases drastic and tragic—dislocation among those upon whom we have depended to defend our country, and who are anxious to own homes and establish themselves and their families, to the end that we may have a greater contentment among the citizens of this country and a greater appreciation of the opportunities for which the veterans have fought all over the world to preserve the things that we hold dear.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I am about to yield the floor; but I yield.

Mr. TAFT. The Senator from Kentucky has not commented on what I think is the most doubtful part of the bill—namely, the last section, which deals with the guaranty of a market for prefabricated houses and new materials.

Mr. BARKLEY. I intended to comment on that, but I have already taken up so much time that I thought perhaps I might desist.

I did incidentally comment upon it earlier in the day by remarking that the materials provided for in the section to which the Senator from Ohio has referred—the one relating to prefabricated houses and new materials—involved a field in which there has not been great development. I realize that a start was made several years ago to build what were called prefabricated houses; in other words, houses built largely out of the same materials that would be used in building a house on a lot, but put together at a factory and shipped to the lot and put together on the lot by mechanics. Such a system produces a house which looks the same as a house which is built bit by bit on the site, provided the same materials are used. But there has been some timidity and some hesitation with respect to embarking very largely in the production of what are called prefabricated houses, that is, houses built at a factory, shipped knocked down, and assembled or put together on the lot, using some of the same procedure that is used in assembling automobiles at an assembly plant. After such houses are completed, they

look as if they had been actually built on the lot.

Furthermore, Mr. President, there is a field in regard to new materials. I do not know to what extent such materials have been involved in the construction of houses, because I am not a builder and I have no connection with building associations; but I do know that experiments are being made with new materials. Some of the materials are represented as being as durable as brick or stucco or any other building material. But there has been timidity with respect to the acceptance of such materials by the general public.

The total number of the prefabricated houses to be built under the 2-year program is 850,000. In order to induce builders to erect them and make them available to veterans—and they are for veterans—we provide that 850,000 of them are to be built, although under the program at no time will there ever be an outstanding guaranty in regard to more than 200,000 of the prefabricated homes. That provision is made simply for the purpose of inducing those who are engaged in the production of such prefabricated houses to do so on a larger scale, so that the houses may become more immediately and more numerous available. In order to induce them to do that, we provide in the bill for the guaranty. It is provided on the same principle that was followed when we guaranteed loans made by banks under the FHA. The same principle applies, there is nothing particularly different. At no time can the guaranty cover more than 200,000 of such houses.

Some losses might be sustained by the Government. No one can tell. Now and then, the Government might have to take over some of the houses. Of course, if the Government took them over, it would take them over at less than the cost of the guaranty, and therefore the Government might be able to dispose of them ultimately without loss. But such a conclusion is speculative. I would not stand here and guarantee that the Government would never have any loss on account of these houses.

The sole purpose is to encourage the use of new processes, new materials, and new methods by which it will be possible to make new houses available more rapidly. The houses will be just as good as those previously erected; but, as we realize, there have been timidity and lack of assurance and initiative in regard to the construction of such houses and the use of such new processes and materials. This provision is made so as to induce people to proceed with the construction of such houses and the use of such materials.

Many houses of that sort have been built, and now are scattered all over the country. I have seen them in various cities. They are good looking, they are convenient, they have all the attraction which would be expected to be found among a diversity of houses built plank by plank and brick by brick on the sites. But there has been a fear that if the builders went too rapidly into the production of the prefabricated houses, perhaps not all of them would be sold, and there might ultimately be a loss.

Therefore, we have included in the bill the guaranty to induce those who are qualified and experienced in the production of this type of house to go forward with their production and to make the houses available. Then, after the program is over, if any of them are left on the builders' hands, the Government will undertake to underwrite them to the extent set forth in the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Was there not a statement that the association of prefabricators did not desire to have such a guaranty?

Mr. BARKLEY. Yes; but this morning I received from the association of prefabricators a statement that they do desire to have such a guaranty.

Mr. TAFT. Will the Senator place it in the RECORD?

Mr. BARKLEY. Yes. I recall the statement to which the Senator from Ohio has referred; but I learned on Saturday that the prefabricators had conferred and had given further consideration to the whole problem and that they were sending me a statement—and, I think, were issuing it to the newspapers—to the effect that they now favor this program and that they have altered their original opinion about it.

Mr. TAFT. That was purely a spontaneous statement, I suppose.

Mr. BARKLEY. I will say that I do not know anything about it. I do not even know who they are.

Mr. VANDENBERG. They have been "expedited."

Mr. BARKLEY. I have the statement somewhere among the papers on my desk. Here it is. It is a statement issued by the Prefabricated Home Manufacturers' Institute, 1232 Shoreham Building, Washington, D. C. The statement is dated April 6, 1946, and it is an advance release given out for the Sunday newspapers. The release consists of two mimeographed pages. Mr. President, I ask unanimous consent that it be placed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Prefabricated Home Manufacturers' Institute has been assured by National Housing Expediter Wilson W. Wyatt that only those prefabricated homes which conform to the high standards of the Federal Housing Administration will be eligible for priorities assistance under the veterans' emergency housing program.

Dawson Winn, newly elected president of Prefabricated Home Manufacturers' Institute, was elated with this assurance that only sound, durable, well-designed, and readily marketable homes would come under the veterans' emergency housing program, and he says, "This removes our objection to the guaranteed market provisions of the Patman bill because we were frankly afraid that the future of prefabricated homes would be severely jeopardized by the introduction of a lot of substandard, unconventional type of homes which we do not believe the veteran is ready and willing to accept."

"Mr. Wyatt pointed out to us," Mr. Winn continued, "that the section of the bill on guaranteed markets as reported out of the Senate committee provides that the number of prefabricated houses covered by outstanding guaranty shall at no time exceed 200,000 units. In order to protect established man-

ufacturers of materials and houses, production of new types shall be encouraged only to supplement the expanded production of existing facilities as will be necessary to achieve the goals of the veterans' housing program."

Mr. Wyatt said that in order to achieve his goal of 250,000 prefabricated units this year and 600,000 units next year, he would need the authority to guarantee some producers (those, for example, that did not have their lines of distribution set up) that they would have a ready market, Mr. Winn continued.

"Mr. Wyatt further explained that he might not have to use more than a fraction of the amount being asked for but would need the authority to use it when and if necessary in order to produce the enormous expansion of factory-built homes necessary for the veterans' housing program.

"I am not opposed to the guaranteed market plan if properly safeguarded," Mr. Winn explained, "and now believe that it is so safeguarded in the Patman bill as reported out of committee."

"The plan as outlined in the bill would permit existing fabricators to bring their operations to capacity in time to meet the urgent need for full production.

"In addition to the points already mentioned as being in the Patman bill, the following are provisions with which we are in accord: That there shall be 'reasonable prospect' of either (1) full return to the Government of any funds involved or (2) a net cost to the Government substantially lower than under any other available method of achieving the necessary expansion of production; the guaranty shall not be for the full amount of the producer's standard delivery price; the Expediter shall endeavor to keep the total net cost to the Government at less than 5 percent of the total amount guaranteed; emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business; the producer must show that he has sufficient working capital and experience to achieve the desired production on conditions satisfactory to the Expediter."

Mr. BARKLEY. Mr. President, I thank the Members of the Senate for the patience with which they have indulged me, and I hope we may speedily consider and enact the pending bill.

ADDITIONAL APPROPRIATIONS FOR VETERANS' HOUSING AND RELATED EXPENSES

Mr. McKELLAR. Mr. President, I wish to ask the Senator from Kentucky and also the Senator from Ohio about the possibility of taking up several appropriation measures at this time. A while ago the Senator from Ohio told me that he intended to speak on the subject of the Veterans' Emergency Housing Act of 1946, which the Senator from Kentucky has been discussing at some length today. I wonder what arrangements, if any, have been made with respect to continuing the discussion of that measure today. I do not wish to interfere with consideration of that bill, of course. However, there are two comparatively small appropriation measures which should be passed, and one of them should be passed today.

If the Senator from Ohio will yield to me for a while, I should like to have the unfinished business temporarily laid aside, and have the Senate proceed to the consideration of the two appropriation bills.

Mr. BARKLEY. Mr. President, I have taken so much time today that I do not know whether any other Senator wishes

to discuss the Veterans' Emergency Housing Act at this hour. If it is agreeable to the Senator from Ohio, I shall be glad to have the unfinished business temporarily laid aside, as the Senator from Tennessee has suggested.

Mr. TAFT. Mr. President, that will be perfectly agreeable. I should prefer to speak the first thing tomorrow.

Mr. BARKLEY. Very well.

Mr. McKELLAR. I thank the Senator.

Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed, first, to the consideration of House Joint Resolution 328.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 328) entitled "Joint resolution making an additional appropriation for veterans' housing and related expenses."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the resolution (H. J. Res. 328) entitled "Joint resolution making an additional appropriation for veterans' housing and related expenses," which had been reported from the Committee on Appropriations with an amendment.

Mr. McKELLAR. Mr. President, I ask that the joint resolution be read for amendment, and that the amendment of the committee be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will state the amendment reported by the committee.

The CHIEF CLERK. On page 1, in line 8, after the numerals "(42 U. S. C. 1521)", it is proposed to strike out "subject, however, to the enactment of the bill (S. 1821) 'to amend section 502 of the act entitled 'An act to expedite the provision of housing in connection with national defense, and for other purposes,' approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families', and to the provisions of such bill as enacted" and insert "subject to the provisions of Public Law 336, Seventy-ninth Congress, approved March 28, 1946."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment.

Mr. TAFT. Mr. President, do I correctly understand that this measure provides for the appropriation of the money which was authorized for an additional 100,000 units of temporary housing?

Mr. McKELLAR. That is correct. Mr. President, perhaps I had better read the statement contained in the report:

In December 1945 Congress appropriated \$191,900,000 for the conversion and relocation, as emergency shelter for veterans, of publicly owned temporary structures such as

thereunder. While such broad authority may have been required at the time of enactment, continually changing conditions would seem to call for circumscribing many of the activities of the departments and agencies that are presently operating under this broad form of legislation... In this connection, it is suggested that each department designate on a full-time basis an attorney for the purpose of reviewing all legislation upon which the activities of the departments are based with the view of making timely suggestions to the Congress, through the heads of the agencies and the President, for necessary revisions and improvements. There is no doubt in the mind of the committee that a clearer definition of the duties of each governmental unit will result in tremendous savings to the public. In the meantime, it is strongly urged that the Bureau of the Budget devote more time to the over-all coordination of the functions and activities of the various departments and agencies of government generally and less to the issuance of directives governing details of administrative management and planning. There is too much duplication of effort in the Government, and the Bureau of the Budget, as the central coordinating agency of all functions of the executive establishment, is the logical and only organization to undertake this reform...

"Reclassification of positions. It has come to the attention of the committee that many inequities have been permitted to creep into the Federal salary structure with respect to the classification of positions in the executive departments. It was generally admitted, for instance, that positions established in the war agencies were rated higher in salary than positions in the old-line agencies, the reason given being that the Government had to recruit a high grade of personnel in a short period of time and also that the employees engaged were entitled to somewhat more consideration because of the fact that their positions were of a temporary nature. It has now developed, however, that many of these employees have been transferred to the old-line agencies of the Government at the same salary rates, the only changes effected being in the names of the agencies at the head of their job-description sheets. This has had a very detrimental effect on the morale of the older employees, who have served in these agencies for many years prior to the war and who stayed at their posts during the war. The other extreme in this matter came to light in connection with the classification of positions for the Passport Division of the Department of State, wherein the Civil Service Commission has refused to grant reclassifications, especially in the lower brackets, necessary for the proper performance of this very vital activity. It would seem to the committee that a complete review of the present system of classifications should be undertaken."

State Department jurisdiction. "The committee...sincerely hopes that the Department will give very serious consideration to reducing the Department to a more compact foreign-policy-making organization by divesting itself of the numerous functions which, it would seem to the committee, have only a remote and minor effect on the over-all foreign policies of this Government... If the Department of State should continue to operate on the basis...of bringing within the jurisdiction of the Department every activity containing some aspect of international relations -- it would seem to the committee that it will not be long before most of the activities of our Government could be placed in this category."

Soliciting appropriation requests. "The committee wishes to call to the attention...its disapproval of the practice of some bureaus of soliciting letters from business to Members of the Congress endorsing or urging requests for appropriations."

Statistics. "It is the thought of the committee,... that the Census Bureau should limit its censuses, other than those specifically and clearly required by law, to the broader outlines of information rather than accumulating masses of detail of questionable or limited value. The action of the committee in reducing the Budget estimates...is tempered by the added responsibilities imposed on the Census Bureau by the statistical requirements of the Employment Act of 1946. However, what funds may be needed for such work should be specifically justified."

3. PRICE CONTROL. The Banking and Currency Committee reported with amendment H. R. 6042, the price-control continuation bill (H. Rept. 1922)(p. 3459).
4. COTTON. The Agriculture Committee reported without amendment H. J. Res. 336, to prohibit 1947 cotton marketing quotas and acreage allotments (H. Rept. 1912)(p. 3458).
5. SURPLUS PROPERTY. The Rules Committee reported without amendment H. Res. 385, to provide for an investigation of surplus-property disposal (H. Rept. 1889)(pp. 3428-9).
6. PHILIPPINE REHABILITATION. The Insular Affairs Committee reported with amendment S. 1610, to provide for rehabilitation of the Philippines (H. Rept. 1921)(p. 3459). Majority Leader McCormack obtained consent for this bill to be brought up today or any time this or next week (p. 3456).
7. VETERANS' HOUSING. Agreed to the Senate amendment to H. J. Res. 328, making an additional appropriation for veterans' housing (p. 3429). This measure will now be sent to the President.
8. SCHOOL LUNCH PROGRAM. Rep. Gross, Pa., charged extravagance in expenditures for checking on this program in the Virgin Islands (p. 3429).
9. COOPERATIVES. The Small Business Committee submitted a report on competition of cooperatives with other types of business (H. Rept. 1888)(p. 3458).
10. DAIRY INDUSTRY. Rep. Andresen, Minn., blamed Chester Bowles for the dairy shortage (pp. 3456-7).
Rep. Hoeven, Iowa, stated that "price inequalities...will soon compel Iowa creameries to cease the manufacture of butter" (p. 3428).

SENATE

11. HOUSING. Continued debate on H. R. 4761, the Patman housing bill to provide for price control and subsidies on housing (pp. 3394-3426).
Rejected, 20-53, an amendment by Sen. Capehart, Ind., to strike out the provision for subsidies on building materials (p. 3421).
Rejected, 35-38, an amendment by Sen. Capehart, Ind., to strike out the provision which permits RFC to underwrite or guarantee markets for new type building materials and prefabricated houses (pp. 3416-21).
An amendment by Sen. Revercomb, W. Va., to strike out the provision to authorize price ceilings on housing was pending at the time of recess (pp. 3421-6).
Sen. Capper, Kans., inserted a National Women's Trade Union League letter favoring H. R. 4761, the Patman housing bill, and S. 1592, the Wagner-Ellender-Taft national housing policy bill (pp. 3388-9).

10. The policies to be framed and administered with respect to the Jewish displaced persons, in Germany and Austria will be sound and effective, and will evoke responsive cooperation from the displaced persons and commendation at home, to the extent that they are corollary to the major conception I have outlined of the nature of the problem. Whether the care afforded is adequate is therefore not to be measured by reference to standards for Germans or for derelict beneficiaries of charity.

The questions to which present and proposed directives should be subjected are: (a) do they contribute to the building of healthy and vigorous people capable of the pioneering effort which confronts them; (b) do they contribute to the enlargement of their skills and capacities for doing useful work; (c) do they accelerate the process of restoration of family life, normal communal activities, moral standards and qualities, good citizenship; (d) do they enlarge capacity for self-government, discharge of responsibility and afford opportunity for the development of new leadership?

11. Measured against these tests, the need of changes along several lines is indicated.

(a) The present practice with respect to the displaced persons' diet needs revision. While that diet is, in caloric content, above the subsistence level, it is so monotonous as to be unsuitable for more than a very short period of time and constitutes an ever-present provocation to black-market transactions. Some variety is urgently needed.

(b) The introduction of rehabilitation and training projects has been sluggish. Many of these concentration-camp survivors have lost their skills; many of the younger ones never had the opportunity to acquire any skills; others need to learn new trades useful in the lands to which they hope to emigrate. To accomplish these ends requires affirmative action in the way of making tools and equipment available from the German economy, in calling forward more personnel and material from the voluntary agencies, finding more space for training centers and farm projects. Whatever be the expenditure of effort and substance in such an undertaking, it is nominal in comparison to the social costs involved in the failure to take such action.

(c) In the provision of civilian rather than barrack-type housing for Jewish displaced persons considerable improvement has taken place in recent months. There is room for more. The Jewish displaced persons do not, morally, constitute a burden on the German population. Assuming the highest reported proportion of destruction of housing, the Germans are still the trespassers in the aggregate when they house 100,000 Jewish displaced persons in all zones where 600,000 Jews lived before.

The educational and religious programs need intensification. In their years in the concentration camps these people were subjected to the most brutalizing conditions. Law meant tyranny and the only means of survival was through its evasion. Unlike American prisoners of war, who were exposed to brutal treatment in the prisoner-of-war camps, these concentration-camp survivors did not upon liberation return to a welcoming homeland, to the bosoms of their families and friends. Liberation to them meant freedom from bondage—and the realization that their kin were gone, that they were alone in a largely hostile environment, in the grim atmosphere of a displaced-persons center from which there appeared to be no escape. It would be surprising if in these circumstances we found no antisocial tendencies among these survivors. They require reintroduction to a type of society from which they have been divorced for many years and orientation away from the degrading existence into which the Nazis forced them. This requires an educational program demanding the same type of affirmative action

as has been indicated with respect to training projects.

Religious instruction is of great importance. These people have not had an opportunity to practice their religion for many years and they are in special need of religious reintegration. There is a great dearth of personnel available for pastoral duties among the Jewish-displaced persons. I have discovered only one native German rabbi in all of Germany; and since intellectual training was not a factor which contributed to survival in the concentration camps, it is clear that help must be obtained from outside Germany. A more liberal policy for the admission of rabbis and religious teachers, as well as people in other cultured professions, is very much to be desired. Moreover, such religious personnel as is available in the centers should be afforded adequate opportunity to pursue their calling with dignity and facility.

No first-class effort has yet been made in the direction of providing opportunities for employment. Statements have been made that the Jewish-displaced persons will not work. This is true of only a small percentage of them, who feel that they slaved so long and so hard for the Germans without compensation that the Germans should now labor for them. The Jews understandably refuse to work for the Germans or air in any way the German economy. This leaves three fields of possible employment; (a) Work for the occupation forces, both in the way of personal and industrial services; (b) work for themselves; (c) manufacture of items for sale. Efforts should be made along these lines to increase present employment opportunities. No such program can be effective, however, unless incentives for work are simultaneously established. All of us work for some reward; it is unrealistic to expect these people to labor without some form of compensation.

(d) Present tendencies in some quarters to regard the Jewish displaced persons as institutionalized "problem children", which they are not, are pointed in the wrong direction. These tendencies have not yet been formulated into policy directives. I hope they will not be. Plans which are designed to restrict movement, to intensify police control, to subject the residents to frequent searches, all in the interest of law and order, are permissible for security reasons in dealing with a conquered enemy people. They are not justified in dealing with friendly allies; and surely no free people would tolerate them. They are peculiarly inappropriate when applied to persecuted groups, Jewish and non-Jewish, in greater measure than to the Germans themselves. The use of German police in persecutee centers is not promotive of order. Careful screening would produce good ex-persecutee material for such policing. A program of education of the newly arrived troops and military police with respect to the misfortunes of these people and their present unhappy state, designed to evoke sympathetic and understanding treatment, would also be helpful in preventing unfortunate incidents.

12. There are other aspects of Jewish affairs in Germany and Austria that are receiving consideration by the military authorities, such as the question of restitution of property, especially where the Nazis have compounded robbery with wholesale murder so that no heirs survive; the disposition of Jewish communal, religious, and cultural property; extension of aid to ex-persecutees resident outside of assembly centers; documentation for migration, etc.; but it does not appear necessary to dwell upon them in this memorandum.

13. I recognize that no matter how wise the policies formulated and no matter how sympathetic their implementation, they can only ameliorate the present conditions of life

of the displaced Jews and prepare them more adequately for the future. They cannot solve the problem of the displaced Jews. Being a human problem, it resists definition by directive. It is not confined to the arbitrary geographical lines of the United States zone, but overflows the newly created zone boundaries as well as the more ancient national frontiers. It embraces not only those who fall within the technical definition of "displaced persons" but all those Jews of Europe who, by reason of the global war of 1939-45 and the war against the Jews since 1933, have had their home roots cut, so that they are in fact a mobile, floating population. It will cease to be a problem not when any specified agency has discharged its limited responsibility but when the Jews concerned have been restored to normal life in an abode in which they strike permanent roots.

Rapid, mass resettlement is the only means of solving that problem. Life in the displaced persons centers cannot, at its very best, begin to approach normal life and the inevitable consequence of a prolonged stay therein is demoralization. Disintegration has already begun and may rapidly spread. Frustrated in their attempt to find a place outside of Europe in which to live, unable to make a home in Europe, surrounded by a hostile population which serves to exacerbate old wounds and create new resentments, these people are coming to the end of their emotional tether. Unless the world is prepared immediately to make a place for them, it will drive to despair and disaster this handful of a decimated people. All of them have one earnest wish, to be quit of Europe; and most of them have one other compelling desire, to emigrate to Palestine. For reasons I have advanced at length before the Anglo-American Committee of Inquiry on Palestine, I believe that their problem is actually insoluble without Palestine. Whether or not the United States Army will this spring be faced with the necessity of dealing with people sickened by hope long deferred depends upon the action of that committee and the governments which must implement its decision. Every day's delay in solution boosts the price to be paid for the failure to act promptly.

14. Record should be made of the patent fact that of the several government agencies charged with responsibility, the Army is the only one that has to date made a substantial and noteworthy contribution. UNRRA has refused to contribute any supplies to the displaced persons. In the United States zone it has likewise failed to bring to its task the necessary initiative, administrative skill, and imagination. Conspicuous has been its lack of drive to implement ideas conceived both within and outside its staff. Its lower ranks have brought zeal, sympathetic understanding, and social welfare experience, and I cannot praise too highly the devotion to their task of the workers in the field. But too often this personnel—and more particularly the supervisory staff—does not possess the requisite know-how to deal with the routine tasks of housing, clothing, and feeding. While it is true that in some areas UNRRA personnel has been confronted by noncooperative and resistant military officers at the operating level, that circumstance would not have proved to be a serious obstacle had the UNRRA organization in the United States zone possessed the necessary executive capacity. Had this administrative weakness of UNRRA been foreseeable it would have been wise to limit its function to welfare and casework problems. It is too late to retrace the steps taken. But it is not too late for the Army to be aware of this defect in the performance of UNRRA, and to deal with it by instruction, inspection, and the fullest measures of cooperation on all levels.

15. Although resettlement is the ultimate objective, the Intergovernmental Committee

on Refugees (IGCR), whose responsibility covers that field, has by its own directives rendered itself impotent to deal with the problem. It has accomplished nothing in the way of resettlement of the Jewish displaced persons, and can accomplish nothing under its present policies. Some few of these people have been resettled in Palestine through the Jewish Agency for Palestine, an organization accredited to UNRRA. The United States is now opening consular offices and taking steps to implement the President's directive with respect to emigration of displaced persons to the United States. But as far as I know IGCR has to date taken no steps to make possible the settlement of Jewish displaced persons anywhere. By appearing to act in this field it has discouraged others from taking the initiative. Valuable time has been lost. It is plain that for those who desire migration to places other than Palestine, direct negotiation by the United States with other immigrant-receiving nations is necessary.

16. In closing, I wish to express my unstinted thanks for the kindness and courtesy with which I have been treated during the period of my service in the European theater. I have always received the fullest measure of cooperation in the performance of my duties, and the Army has exerted itself at all times to lighten my task. Never did it fail to give patient consideration to my suggestions. For all this I am most grateful.

It is my most earnest hope that the events of the succeeding weeks with reference to Palestine will relieve the United States Army of its grave responsibilities towards the Jewish displaced persons. And I pray that, with the fullest measure of its capacities, the Army will so devote itself to these unfortunate victims of the war that they will be able, as dignified and integrated individuals, to meet whatever future awaits them.

SIMON H. RIFKIND,

*Adviser to the Theater Commander
on Jewish Affairs.*

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment. The committee amendment being a substitute for the bill, perfecting amendments should be offered before a vote is had thereon. The committee amendment, for purpose of amendment, is regarded as the original text, and is not an amendment in the first degree.

Mr. TAFT obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. As the result of our discussion yesterday, if it is agreeable to the Senator from Ohio, I should like to offer to the text some amendments that will not be controversial, in order that we may get them out of the way.

Mr. TAFT. I think it is desirable that they be out of the way before I speak.

Mr. BARKLEY. Mr. President, on page 25, line 13, I wish to amend the bill by striking out the word "margin." The word "margin" appears in both lines 12 and 13, but it is the word "margin"

in line 13 I want to strike out and insert in lieu thereof the word "percentage," so the language will be "a margin of profit reflecting the generally prevailing profit percentage upon comparable units."

Mr. VANDENBERG. That is the matter we were discussing yesterday, is it not?

Mr. BARKLEY. It is.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. On page 28, in subsection (b), where there are three categories referred to, (1), (2), and (3), as I explained yesterday, (1) and (2) were in the House bill originally, and we added the third, and instead of making it No. (1), which was our intention, it was left as No. (3), because it was added to the other two. My amendment is to transpose No. (3) beginning in line 15 with the word "satisfying" down to and including the word "families" in line 16, so that it will appear as No. (1), in line 12, and make what is now No. (1) No. (3) at the end of the three categories.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. On page 38 I wish to amend by striking out the following words, beginning in line 25, "pursuant to section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3)), and insert in lieu thereof the following, "which the Reconstruction Finance Corporation may make hereunder"; so that whatever is done in the case of premium payments shall be done under this act, and not under some other act which we would have to refer to to find where it is provided for.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. Mr. President, on page 39, in line 12, I wish to amend by inserting before the word "temporarily" the word "only", and after the word "temporarily" to insert the word "and", so it would read "Premium payments shall be used only temporarily and only with relation", and so forth.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. On page 39, in line 14, after the word "attainable", I wish to amend by inserting, in parentheses, the following: "(as determined by the Housing Expediter by general regulation for the industry involved)." That is a matter which was discussed yesterday by the Senator from Michigan [Mr. FERGUSON]. In order that it may be specific so as to cover the industry generally, that language is offered as an amendment at that point.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. SALTONSTALL. Mr. President, I should like to ask the distinguished Senator from Kentucky [Mr. BARKLEY] another question along the lines of the one which I asked yesterday. If the bill is being amended for technicalities in

order to improve it, I respectfully call his attention again to paragraph (d) at the bottom of page 31, which allows a person to sue for treble damages if he brings suit within a year. On page 32 there is a provision that if the buyer fails to bring the action under this subsection within 60 days from the date of the violation; the Expediter may bring the action on behalf of the United States within 1 year from the date of violation. The provision does not say whether the Expediter shall bring a criminal or a civil action, how much the damages shall be, or to whom they shall be paid. In another section of the bill the Expediter is authorized to bring criminal actions under certain circumstances. It seems to me that this section, which is a technical section, should be clarified.

Mr. BARKLEY. Mr. President, we have discussed this question, and I think probably we can arrive at an understanding about it. As the Senator knows, of course, the treble-damage theory, which we discussed yesterday, was originally included in the OPA statute, which was intended as a civil penalty against violators of price regulations. It was carried in this bill as a civil penalty on behalf of the aggrieved person. I do not think it is vital to the administration of this bill, and I am perfectly willing to move, on page 32, line 1, to strike out the word "treble", so as to give the aggrieved party the right to bring suit for the amount by which the price has been exceeded.

Mr. SALTONSTALL. Personally I think it would improve the bill if the word "treble" were left out; but I think that would not cure the entire technical difficulty, which I should like to see cured.

Mr. BARKLEY. Is the Senator now referring to the omission of any language stating who should have the benefit of the recovery if it should be had?

Mr. SALTONSTALL. That is correct.

Mr. BARKLEY. At this moment I should not like to offer an amendment on that point, because it may be, under the theory of suits instituted by the Government of the United States, that whatever is recovered should go into the Treasury of the United States; and in that case the aggrieved person, who had paid the excess, would receive no benefit. I think we can devise language on that point which will be satisfactory. At this time I should like to have the amendment adopted eliminating the word "treble," on page 32, line 1.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. TAFT. Mr. President, I desire to say a few words on the bill which is before the Senate. I wish to make it clear that I am not sponsoring this bill; nor have I any responsibility about it, except to comment and give the reasons which led to the votes which I and other members of the minority cast in the committee on proposed amendments to the bill.

In the first place, this bill was written in the House of Representatives. Beginning on page 19, I believe that sec-

tions 1 and 2 follow almost completely the House provisions. As the bill passed the House, I did not see very much object in the bill, because the powers proposed to be given to the Housing Expediter are, for the most part, powers already conferred upon the President by the Second War Powers Act, dealing with priorities, and on the OPA dealing with prices. As a matter of fact, practically all the powers proposed to be given to the Housing Expediter are already given to him by an Executive order under the Second War Powers Act, under the Price Administration Act, and under the War Mobilization and Reconversion Act of 1944.

The bill does have the effect of continuing the powers, with respect to housing, of the Office of War Mobilization until the expiration of this act, at the end of 1947, even though they expire earlier as to other agencies. I think it is perhaps proper that a housing program undertaken at this time for postwar needs should continue from now through the years 1946 and 1947. If we are going to undertake a program at all, it will almost have to be for that length of time, because housing takes a long time to build. It cannot be constructed overnight.

I voted for the extension of the date from July 31 to the end of 1947. I think it is understood that the entire act will expire at that time. It will expire at a time when I hope Congress will not be in session, and no question of renewal will arise.

In the Committee on Banking and Currency, after we had heard a great deal in general terms as to Mr. Wyatt's program, the bill was finally presented in an amended form after the completion of the hearings.

Mr. Wyatt's program contemplates the encouragement by the Government of the construction of 1,200,000 residences this year and one and a half million next year. I do not believe that that program has been placed in the RECORD, and I think it would be wise to read it here, because it is fairly simple.

The 1,200,000 houses this year include 200,000 temporary houses which we authorized, and for which we appropriated the money yesterday, which are to be built by taking materials already in the hands of the Government in housing or barracks and putting it into housing or moving it and using it elsewhere in the construction of temporary housing for veterans, the temporary housing to be destroyed before many years.

In addition, it includes 50,000 trailers, which, after all, are the most temporary form of housing. It includes 650,000 conventional houses, 50,000 converted or rebuilt houses, and 250,000 prefabricated houses.

So the idea is to expand the existing program, or the existing estimate of construction without this bill, from perhaps 500,000 or 550,000 conventional houses to 700,000, and to add 250,000 prefabricated houses, as well as the temporary houses. That is not a very large expansion in 1946, but probably as great as can be completed.

In 1947 it is proposed to advance the construction of 850,000 conventional

houses, 50,000 converted or rebuilt houses—that is, turning existing houses into a number of apartments—and 600,000 prefabricated houses.

Personally I believe that the program is perhaps a proper goal. I do not believe that the prospect of building 250,000 prefabricated houses in 1946 and 600,000 in 1947 is a practical goal. I do not think we can hope to construct 850,000 prefabricated houses. I hope that we may build more of the conventional type homes than the Expediter plans for.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HAWKES. In connection with the matter of prefabricated houses, I should like to ask the Senator what is meant by the statement in the report on the bill that—

The bill provides that outstanding guaranties at any one time shall not cover more than 200,000 prefabricated houses, including those that may be held by the Government.

In asking this question I have in mind ascertaining what the obligation of the Government would be in respect to its guaranty of a market for the prefabricated houses. If the builders constructed a great number of them and then found that many of them were not needed or wanted or desired, and if the Government then woke up some morning and found that it had guaranteed a market for 200,000 prefabricated houses which had been built at a cost of perhaps \$5,000 or \$6,000 or \$7,000 apiece, the total liability involved would run into the billions of dollars.

Mr. TAFT. Mr. President, I may say to the Senator that personally I do not approve of the guaranty of a market for prefabricated houses. Of course, the theory is that the Government would guarantee a market for 200,000 houses of that type; that as those houses were completed and sold, of course, the Government would not then be required to take them over; and that then the Government would make an additional guaranty. So if construction were rapid, we might conceivably find that the Government would have guaranteed a market for the entire 850,000 prefabricated houses. I think Mr. Wyatt told us that his plan was to make such a guaranty for approximately 450,000 houses, altogether—about one-half of the total. Of course, the turn-over would permit him to do that, even though at any one time he could not have outstanding a guaranty for more than 200,000 of the houses.

Mr. HAWKES. Mr. President, the Senator from Ohio sees my point. If bad judgment were used by the Expediter—and bad judgment certainly has been used by a great many administrators—it would be quite possible that when the demand for prefabricated houses ended, the Government would still be carrying a guaranty of a market for 200,000 houses, at whatever the price might be.

This morning I was told—perhaps the Senator from Ohio is able to check on my information—that such prefabricated houses could very easily cost \$5,000 or \$6,000 a piece.

Mr. TAFT. No; I do not think so. I think the cost of prefabricated houses at

the factory would not average more than approximately \$4,000 a house. Nevertheless, that is serious enough and I do not mean to depreciate the importance of the point the Senator from New Jersey has made, because at the \$4,000 apiece, a guaranty on 450,000 houses, which I understand is about the program, would amount to a total guaranty of \$1,800,000,000. If the houses were not sold and had to be taken over by the Government, presumably they would be taken over at the price they cost. Consequently, if the Government took over a \$4,000 house, it certainly is not unreasonable to think that it might lose \$1,000 a house. It might lose more. If the Government lost \$1,000 a house, the total cost to the Government on 450,000 houses would be \$450,000,000, as a loss. That would be the loss the Government would sustain if it had to take over 450,000 \$4,000 houses and sell them for \$3,000.

Mr. HAWKES. I calculate that if the Government had to take over 400,000 of the houses, and, in handling them, sustained a loss of \$2,000 on each, the total loss to the Government would amount to \$800,000,000.

Mr. TAFT. Yes.

Mr. President, I shall deal with the question later, but I think it should be emphasized that insofar as financial obligations are concerned, section 13 involves a financial obligation and possible loss to the Government which is just as great as that involved under section 12; in fact, I think the obligation accruing under section 13 on a somewhat less sound basis.

Mr. VANDENBERG. Mr. President, before the Senator leaves this point, I should like to ask him a question, if he will yield to me.

Mr. TAFT. Certainly.

Mr. VANDENBERG. I should like to know the meaning of the language on page 41 in line 18, reading as follows:

The Housing Expediter shall maintain constant review of experience toward the objective that the total net costs to the Government shall in no event exceed 5 percent of the total amount of underwriting or guaranty undertaken.

Mr. TAFT. I was not very clear about that provision. It seems to me that it simply tells the Housing Expediter that the Government does not expect to lose more than 5 percent, and that if he finds he is beginning to lose, he should cease making guaranties. It seems to me that is what the provision means.

Incidentally, the guaranty will not be for the full amount of the producer's delivery price. In other words, the Government will not pay him \$4,000, if that is the delivery price which he sets. The Government will pay him something less; but how much less is not stated.

But the 5-percent provision is, it seems to me, something of an expression of a pious hope that if the Housing Expediter does lose more than 5 percent, he will be criticized, and therefore he had better be careful in making his guaranties, if they begin to go sour. However, that is merely my interpretation.

But the Senator from Indiana will offer an amendment to strike out all of

section 12, and I expect to support the amendment.

Mr. VANDENBERG. I do not see how it is practical or possible for the Expediter, when engaging in a mass adventure of this magnitude, to shoot at a 5-percent loss and be sure he will hit it.

Mr. TAFT. He cannot. But if he guarantees a market for 200,000 houses and if only 100,000 are sold, if the Expediter then is called upon to make good some losses, I think that would be an injunction to him not to work the revolving fund and add more guaranties which might involve further losses. That is about what I think the provision means.

Mr. LA FOLLETTE. Mr. President, on page 42 appears the following language, in line 6:

(5) New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

Did the committee discuss that provision with Mr. Wyatt? I have heard apprehension expressed that some of the veterans might get houses which would not have the permanent character which is essential to any sound investment. Did the committee discuss with Mr. Wyatt the question as to how this provision would be administered?

Mr. TAFT. He was asked about it. He stated that he would use the Bureau of Standards; that pending the adoption of the Wagner-Taft-Ellender bill dealing with research, he would set up a temporary section to make the inspections, and that he would rely principally upon the other Government departments.

Mr. President, I think I might as well finish my discussion of this point. I did not wish to begin with it, because I intend to support, in the main, the remainder of the bill. But inasmuch as I am on this subject, I might as well continue with it and say why I think the provision is unsound.

The prefabricated housing industry builds perhaps as many as 50,000 houses a year, although we can not ascertain exactly the number. It is a new industry. It is one which I should like to encourage, but it is an experimental industry. Many new types of houses are being proposed, and all of them are experimental. There are plans to build houses in old airplane factories and to build them by means of mass production. At the moment there is no evidence that prefabricated houses are any cheaper than any other kinds of houses. Prefabricated house manufacturers usually claim that prefabricated houses are better, and some of them are; but there is no evidence that they are any cheaper. So we do not gain much by shifting the whole industry.

I have felt that if we said to those people, "We shall lease you the Government-owned plants that we have, at reasonable rentals, or we shall have the Reconstruction Finance Corporation help you finance a plant and help you put in machinery and finance it," that would be one sort of encouragement. It is admitted that the Reconstruction Finance Corporation can do that under existing law. The Administrator says he can do it without any authority from Congress,

and he proposes that they shall do it. That will be a substantial assistance.

Now if, in addition to that, we say that if the manufacturers of prefabricated houses manufacture houses in accordance with a specification which we establish, which we have decided, after looking into the crystal ball, will result in the building of houses that people will want to buy, and if the manufacturers produce 50,000 of them, we shall guarantee to take them off their hands, it seems to me we are going way beyond anything the Government ought to do or can safely do. If a man can not decide for himself what kind of houses people want to buy and if he cannot subsequently market them himself, it seems to me that such a proposal would take away a great deal of the incentive and the weeding out by the usual process of individual judgment which heretofore has guided the development of industry in this country.

The idea is that the situation is similar to that involved in the construction of a tank. For example, the Government lays down specifications for the construction of its own tanks. They are manufactured and shipped to the Army, and the Army has to accept them. But that is not the situation with respect to the construction of houses. These houses must be sold to some one. Some one must pay approximately \$6,000 for each house. The person who buys one of these houses will want to exercise some choice in the selection of what he wishes to buy. We cannot merely order a hundred thousand houses and assume that they will be sold, and that the Government will not lose money on them. Every manufacturer, it seems to me, should be responsible for marketing the articles he produces. That is, he should be responsible for the selling process as well as for the manufacturing process. I do not think that we should relieve him from an obligation of that nature.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBERG. There is a further phase of the matter which intrigues me. We are asked to pass on an emergency basis the proposed legislation, because at the present time there is a desperate need for housing. Theoretically, at least, there is an enormous demand for housing which should be supplied. Therefore, if prefabricated houses are accepted to veterans as buyers, there certainly will be no lack of a market, and no guarantee should be necessary. Under those circumstances, it seems to me, that the suggestion of a guaranteed market is a confession of doubt as to whether prefabricated houses made under this section of the bill will be acceptable to veterans.

Mr. TAFT. I think the Senator from Michigan is correct in his statement. I have another objection to the process. The Administrator will be required to say, in effect, "Mr. A, you are making a prefabricated house which I will guarantee," and he will say to Mr. B, for example, "You are not making a prefabricated house which I will guarantee." The Administrator will be in position to select a favored manufacturer if he so

desires. In any event it is largely a matter of guess work. The Administrator might say to Mr. So and So, "I think you are a successful manufacturer, and I will guarantee the sale of 50,000 of your houses" and at the same time say to Mr. B, "I will not guarantee the sale of any of your houses." The Administrator would be given a wide discretion in the exercise of power.

With reference to the provision regarding premium payments, I may say that we have largely eliminated it. In this field the Expediter has complete discretion with regard to whom he will guarantee and whom he will not guarantee. I do not believe that to be a wise power, under existing conditions, to place in the hands of a Government official.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Ohio a further question?

Mr. TAFT. I yield to the Senator from Michigan.

Mr. VANDENBERG. Is the manufacturer of prefabricated houses eligible to receive premium payments?

Mr. TAFT. No; he is not eligible to receive premium payments. Such payments must be made with reference to building materials. I do not say that the manufacturer could not obtain premium payments indirectly by having them applied with reference to some of the materials which he is, perhaps, making. That is to say, assume that a prefabricated-house manufacturer is making sashes and doors for the houses he is constructing, as I believe some do. He could, no doubt, participate in premium payments on the sashes and doors; but, as I understand the bill, he could not participate in premium payments on the finished house ready for shipment.

Mr. VANDENBERG. If we strike out the provision in the bill regarding prefabricated houses, we leave that element of the housing activity without any representation in the bill at all. Is that statement correct?

Mr. TAFT. The Senator is correct. The Expediter did not desire to offer premium payments to manufacturers of prefabricated houses. He so stated. I do not remember the reasons which he gave, but I do remember that he so stated.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I should like to answer the question propounded by the able Senator from Michigan as to whether the manufacturer of prefabricated houses would obtain any benefits. They would obtain the same benefits as would any other manufacturer of building materials, or builders of conventional-type houses. First, they would be given priority. Under the proposed legislation the Expediter would have the right to pick up anything he could find at any place and at any time, such as building materials, lumber, or anything of that nature, and allocate it on a priority basis to the construction of houses, either of the conventional or prefabricated type. Therefore, the manufacturer would receive a benefit as a result of the Expediter piling up materials in the manufacturer's factory. The manufacturer is assured of materials.

Secondly, the manufacturer receives the benefit of a subsidy which will be paid, if the provision for the payment of subsidies remains in the bill. The subsidy will apply to such building materials as plywood, nails, and other articles which are used in the construction of prefabricated houses. The manufacturer receives all the benefits which would be received by the manufacturer of a conventional type building. He receives the benefits of priorities in regard to materials.

Mr. VANDENBERG. Then, it is the viewpoint of the Senator from Indiana that the incentive-payment section of the pending bill reaches the manufacturer of prefabricated houses as well as the builder of the conventional type house.

Mr. CAPEHART. Yes. He receives all the benefits which I have enumerated. He also receives the benefit which results from the pushing by the Government of the housing program to the extent of 2,700,000 houses. I expect to address the Senate on that particular subject a little later.

Mr. TAFT. The premium payments, however, are confined to the purpose of encouraging an increase in the supplies of materials. At least, that is as I understand it. They would not apply to the finished house.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The manufacturer would receive a benefit provided he furnished materials on which a premium might be paid.

Mr. TAFT. Yes; or he would receive the materials at a lower price.

Mr. BARKLEY. He would receive an indirect benefit if he were building in a plant a house to be shipped in sections and erected on a building lot. He would receive the benefit indirectly of a lower price on materials which entered into the construction of the building, whether the materials consisted of lumber or some other article.

I may say that there seems to be a misapprehension with reference to the word "prefabricated." That word does not mean that the house must be built out of some fabrication. The house may be built in sections out of lumber, hauled to a particular community, and there erected on a lot. It may be just as good a house as if it were built plank by plank and brick by brick. Prefabricated does not in any sense mean that the material is artificial in character. It might be, but it would not necessarily be artificial.

Mr. CAPEHART. Mr. President, my understanding of the meaning of the word "prefabricated" as used in this bill is a house the parts of which are constructed or fabricated away from the place where the house will eventually be erected. It could be made out of lumber or some other material. The parts are cut at some point away from the place where the house will eventually be located, and out of any kind of material.

Mr. VANDENBERG. Of course, I have no misconception with reference to the term "prefabricated houses." The construction of prefabricated houses has been a substantial industry for some

time in my home city of Grand Rapids, Mich. What challenges me regarding a Government guaranty of a market grows, in part, out of my familiarity with the fact that prefabricated houses have been built, and are being built, which are very attractive, wholly satisfactory, and completely competent to compete in the housing market with the conventional type of housing. In the presence of a great emergency in respect to a lack of housing facilities such as is contemplated in the proposed legislation, and when there is a vast, unfilled market awaiting all housing, I am totally unable to understand why we must guarantee a market for such housing unless, in some fashion, it is going to be so novel or so questionable that it is doubtful whether anybody will want to buy it.

Mr. BARKLEY. I do not want to take the time of the Senator from Ohio. If and when an amendment is offered on the subject, I shall discuss it, but I do not care to do it now.

Mr. TAFT. Mr. President, the other highly controversial section of the bill deals with the question of premium payments. When first proposed it seemed to me that the proposal for premium payments was in effect a proposal for a straight subsidy of prices in lieu of price increases; in other words, it was like the subsidy which is now being paid on meat. Today, in the case of meat, the Government is paying out \$60,000,000 a month, or \$720,000,000 a year, for the sole purpose of holding down the price of meat all the way across the board, and by paying \$720,000,000 of Government money the consumers save \$720,000,000. It has seemed to me always that that kind of a subsidy is wholly unjustified; that the consumer under those circumstances ought to pay the cost and that it ought to come out of the consumer who gets the meat and not out of the taxpayer who does not get the meat. I objected originally to the proposal on that ground.

Mr. Wyatt assured us, and I quite believe him, that that is not his purpose and not his idea. He realizes that there must be price adjustments on building materials. He realizes that these particular premium payments will not work unless there is some price adjustment. What he says, in effect, is that in many cases premium payments will bring about additional production whereas price increases may not bring about additional production; that if a special inducement is offered to increase production there is more likely, perhaps, to be an increase of production than there is by simply raising prices. People who are not energetic would like to have price increases and to obtain the additional money, but they do not want to go to the trouble and expense of expanding their plants or putting more capital into them or obtaining more capital. They are well satisfied with existing conditions and do not care about increasing their production. Mr. Wyatt's purpose in making premium payments is to put a premium on an increase of production. Furthermore, he feels that he can avoid to some extent price increases that might otherwise be necessary. That brings about the distinction in subsidies which I have always drawn on the floor of the Senate

and which I still draw in relation to this bill.

In the case of copper during the past war, we made premium payments to the high-cost producers of copper, to mines whose copper was so situated that it cost a little more to get it out than in the case of the larger mines. On that copper we paid, we will say, a total premium of \$20,000,000 a year. Undoubtedly, if we had had to pay all copper producers what the high-cost producers received for their copper, it would have cost the Government an additional sum of \$100,000,000 a year. I do not guarantee the accuracy of my figures, but the percentage is all I want to indicate. By paying \$20,000,000 the consumer and the Government were saved \$100,000,000. To the extent that kind of premium payments can be made, I think they may be justified in an emergency.

Furthermore, during the war many building plants went out of business. There was not much building, and brick plants shut down and, to a large extent, tile plants shut down. They were closed, and it takes some extra cost to reopen them. In many cases labor drifted away from those plants to other places, and it is necessary to pay a special inducement to get the plants back into production.

Mr. Wyatt claims, and I think with some justice, that even a temporary increase in prices, if they had to be increased for an entire industry, would result in increasing them far beyond what was necessary in many cases in order to increase production, and the consumer would have to be charged much more than the Government would have to pay in premium payments. That is the theory of premium payments. I think, if wisely used, they can be used to break bottlenecks and increase production.

I think Mr. Wyatt's own figures, or Mr. Small's, show that there is in this country a potential capacity to make building materials almost equal to the demand, at least in 1946. The only serious shortage of capacity is with regard to gypsum board lath and with regard to plywood, products which are in much greater use than before the war. In those two cases there would have to be a considerable increase in productive capacity. In other cases the problem would be one of utilizing existing capacity and putting it into a condition where probably the premium payments could be abandoned.

Largely at my request, Mr. Wyatt tried to spell out the limitations on premium payments so that they might be conformed to what he said he wanted, and could not be used merely as a plan to avoid a general price increase. These restrictions, as now amended, are:

Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved), where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

In other words, the premium payments are to be used only for additional units of production over some base, such, we will say, as present production or 1945

production or production of the last 3 months of 1945. If there was no production in these plants, there was some reason, there was involved lack of labor, or lack of material, or some extra cost, or need of capital which they could not get. There might be a good reason. If the man who is normally producing bathtubs knows that by increasing his production 50 percent he can get a premium payment on the 50 percent, I think he is somewhat more likely to increase his production than if he got merely a general increase on the more limited number of bathtubs he is making.

Mr. SMITH. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. SMITH. Am I correct in understanding that the Expediter has the sole discretion in determining the base on which he will figure the increased production?

Mr. TAFT. That is correct. As provided by the amendment proposed, however, he must do it by general regulation for the industry involved. In other words, he cannot merely say, "I think you can do more without a premium payment, and I will not give you any." He has to work out the rule, and of course it will have to be a reasonable rule under the general principles of law.

Mr. SMITH. He can say to a manufacturer, then, "If you go beyond what you are producing, you will get a premium payment?"

Mr. TAFT. Yes. That makes it clear, and I think Mr. Wyatt clearly admitted that in some industries there will have to be a price increase besides the premium payment. If one is losing money on 100,000 units, if he is going to get a premium payment on 50,000 more, he is not likely to go ahead with the 50,000, even with the premium payment. It is supposed to be an incentive factor, and I think one would probably like to know he is going to make some money on the original production. I feel very strongly that the two have to be helped together.

Mr. SMITH. As I understand from reading the bill, the Expediter has authority over the increase in price, that is, he can bring pressure on the OPA to insure some increase in price. He can give a directive, in other words.

Mr. TAFT. The Expediter can tell not only Mr. Porter, the head of the OPA, but Mr. Bowles, the Economic Stabilizer, that he wants prices raised, and they have to raise them. My only doubt about that arises from the fact that we have told the OPA to do some things, and they have not done them. As to whether they will do what the Expediter says or not I have a little reservation in the back of my mind, but Mr. Wyatt is given that power, and it is his responsibility. If he does not get the materials, he certainly is the man who is responsible, because under the bill he has every power anybody could ask to accomplish the result.

Mr. SALTONSTALL. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. SALTONSTALL. Would the Senator from Ohio care to discuss at this time, in this connection, along with the discussion of the \$600,000,000 item for premium payments to increase produc-

tion, the question of whether there is need for it, and whether it is sufficient to accomplish the purpose in view; or would he prefer to talk about that at a later time?

Mr. TAFT. I think I would rather discuss that later. The \$600,000,000 is intended to cover two things. It is intended to cover new type materials, as well as conventional materials. My own feeling has been, since the Senator asks the question, that if we gave the Expediter three or four hundred million dollars now we could give the rest in 1947, if the plan works. We could therefore safely cut down the figure now, because \$600,000,000 is for the entire 2 years. In the committee I supported a motion to cut it to \$400,000,000. The Expediter may need a little more than half, because of the fact that the contracts have to be made somewhat in advance. They have to be assured a little in advance. This is in effect an appropriation. It will never go to the Committee on Appropriations, because the RFC is authorized to spend the money, and it bypasses the Committee on Appropriations, so that this is not merely an authorization; it is an immediate appropriation. I should not like to see the \$600,000,000 spent in 1946, and then have the Expediter come back in 1947 and ask for more.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. OVERTON. Our chief concern in the proposed legislation is to take care of the veteran to the extent of providing housing as adequately as we possibly can. Viewing the legislation from the standpoint of the veteran, as I understand the situation, to start with, when it comes to the acquisition of property for the building of a home on a lot of ground, or piece of real estate, the veteran is amply financed by the Government under existing law, and under the provisions of the pending bill. I do not think there can be any question at all about that.

When it comes to the veterans being able to obtain materials for the construction of a house, the Expediter is given practically unlimited authority in establishing priorities in favor of the veteran. Therefore, if any kind of material be lacking, he can by priority regulation require that that material be first supplied to the veteran. Then, if there is still a lack of production because of prices or competition, the Expediter can compel the OPA, by fiat, as it were, to increase the price, and Mr. Bowles and no one else can gainsay his orders in that connection.

With all these things operating, I fail to see the necessity of \$600,000,000, or any part thereof, being devoted to premium payments to the producers of materials.

Mr. TAFT. I have had some doubt, as the Senator knows, but it seemed to me that if wisely employed it could be used in many cases to get industries back into production, and to get people into production who otherwise probably could not compete successfully, and that probably in that way we could avoid the

size of price increase which might otherwise be necessary.

I do not agree with the Senator from Kentucky in saying that premium payments will save the veteran \$500 a house. I do not think they will. But I believe that by spending a hundred million dollars on premium payments we should be able, if it is wisely used, to save the consumer \$200,000,000 or \$300,000,000 a year on the cost of the houses, and I think that is probably worth doing at the present moment.

Houses are extremely expensive, prices are going up rapidly, and I think some reasonable restraint on prices should be used. I believe that by cutting premium payments we can get additional production in some cases and in some industries which we would not get by price increases, or at least we can get it much cheaper.

I wish to point out that the bill definitely provides that only 30 percent of all the building materials can be accorded premium payments. The bill recognizes that 70 percent of the building-material industries are adequately taken care of, or can be adequately taken care of by price increases. It only suggests that there are serious bottlenecks in which premium payments can probably get results more cheaply than price increases.

Mr. OVERTON. Where there is a bottleneck, will the premium payment extend to all material that comes into the bottleneck, or will the Expediter have the authority to single out one particular company and say, "I think you need a little incentive, and you, company A, may have a premium payment, and you, company B, I do not think need a premium payment?"

Mr. TAFT. I do not think that can be done. I do not say the language is absolutely watertight. I did not draw it, but it seems to me as now drawn it accomplishes the purpose intended. It provides:

Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved), where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

It is true the Expediter might draw a general regulation which would be helpful to certain features of an industry and not to others, but still it has to be a general regulation. He cannot arbitrarily pick out Mr. X and give it to him and not give it to Mr. Y, if they are in the same situation.

Mr. OVERTON. Then, I fail to see any distinction between a premium payment on a unit of production which is lagging behind and an increase of price on that unit of production confined solely to the same unit of production. There is this difference, that the taxpayer pay for it when it is a premium payment.

Mr. TAFT. I think there is some additional advantage in giving a man an incentive only on his increase. Many producers are wholly satisfied with their present situation, and if they get a price

increase so as to better their condition, they will not bother to go out and borrow money, expand their plants, and hire additional high-cost labor. That would upset their plans, and they would probably go on with the same production and enjoy their profits without increasing their production.

Mr. OVERTON. In either case the manufacturer will get a better price. The only objection is that under premium payments the price comes out of the Federal Treasury.

Mr. TAFT. In one case he gets a better price by increasing his production, in the other case he gets a better price by keeping his production where it is.

Mr. BARKLEY. He gets a better price in the case of a price increase on all he is now producing, as well as on any additional production, whereas under the premium payment he gets it only on the increased production.

Mr. TAFT. I think there are special cases in which if we pay a premium payment for increased production we will get an increase of production which we might not get by simply increasing the price.

Mr. CORDON. Mr. President—

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Ohio yield to the Senator from Oregon?

Mr. TAFT. I yield.

Mr. CORDON. I cannot quite follow some of the statements made with reference to premiums. The majority leader suggests that the premium is only to be paid on account of additional production. In that event the manufacturer has to have a price set for his present production which will permit him to produce. That price necessarily is going to be level, not only through the present production, but through any additional production which may be induced by virtue of a premium—

Mr. TAFT. Let me suggest to the Senator—

Mr. CORDON. Let me finish and see if I am correct. I am following what I understood to be the statement of the Senator from Kentucky. If I am correct in that understanding then there will be no reflection in the price of the materials so far as it concerns the purchaser of the materials or the purchaser of the housing in which the materials go. There will be a price that is fixed by current production, and there will be an additional payment made for additional production which will go to the producer, but it cannot reflect any change or any saving in the retail price of the article produced. Is that correct?

Mr. TAFT. No; that is not correct at all.

Mr. CORDON. Then, let us get it correct.

Mr. TAFT. An industry ordinarily is made up of efficient and inefficient producers. Here is a man who makes a profit at the top; here is another man who makes a little less profit; here is another man who makes still a little less; here is a man who merely gets his costs back; and here are men who operate below the costs.

If we want to increase production, the standard typical way and the usual way

would be to increase the price, and if the price were increased it would bring into production many producers in the inefficient group. The individual who is making a profit will then make a good deal more profit. He does not need the additional profits. If premium payments are made to those down on the other end of the line—that is not what we are proposing to do here, but that is one of the means suggested—they can be brought into production without raising the general price at all, and their product will sell for just what it was selling for before, and the efficient producer's product will sell at just the price it was selling for before.

Mr. CORDON. What is intended to be done here? Is that the plan that is contemplated?

Mr. TAFT. The plan here is to pay for increased production, which might be by a new man who now cannot produce at all, or which might be by an efficient producer who desires to increase or can increase his production. I objected to a plan that would simply subsidize the inefficient producers. I thought that was an unsound proposal. But this plan subsidizes increased production. That means, of course, that the man at the bottom of the scale will get some advantage. He can increase his production successfully to some extent, and the efficient producer also will increase his production. We will have no price increase.

Mr. CORDON. Neither will there be any price decrease.

Mr. TAFT. No; nobody is going to get any price decrease. This is not a roll-back subsidy.

Mr. CORDON. Then, how can there be any savings per house?

Mr. TAFT. Because the alternative the Senator is suggesting is a general increase in prices of materials, which will increase the prices of all houses. That is what we are trying to avoid. We have got to do both, as a matter of fact. We have got to increase the price of houses somewhat, but we are trying to keep it from being too much. That is the only purpose of Mr. Wyatt's theory.

Mr. CORDON. Then the correct statement, I take it, would be that if the premium-payment plan should go into effect there would not be an average increase of \$500 per house as there might otherwise be?

Mr. TAFT. That is a correct statement. I think there will be some increase, because I think some price increases are absolutely essential if we are going to get production. So I would say that it comes roughly to this, let us say, that instead of increasing the price of houses \$500 each we try to hold that increase down to \$200. I have simply taken those figures out of the air.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FERGUSON. This bill provides for premium payment only to the producer. The wholesaler or jobber or retailer is not considered in this bill. Is that a correct statement?

Mr. TAFT. That is correct, because the purpose is to increase production, not to increase wholesaling or retailing.

Mr. FERGUSON. Is it fair to say that we have in mind that the OPA will continue to control the price of lumber and building materials until the life of this bill expires, which would be 1947? Do not we contemplate in this measure that the operations of OPA will be in full force and effect, so far as control of prices of buildings and building materials are concerned, until this measure expires?

Mr. TAFT. Not unless we want to continue it.

Mr. FERGUSON. But this bill is framed on the basis that OPA is in existence.

Mr. TAFT. Under this bill the Housing Expediter can direct OPA what to do and exercise all the powers it has, whatever those powers are, so long as they are in existence. When they are no longer in existence he cannot direct them to do anything. He gets some additional powers himself under this bill. He gets rather extensive powers dealing with priorities. He gets powers under the War Mobilization Act which endure until the life of this measure expires. He gets powers to fix the price of existing houses under this bill. But so far as fixing the general price of building materials is concerned, that depends on the OPA Act and will expire when the OPA Act expires.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CORDON. In addition to that he would get any and all powers the President might desire to give him, which might be anything so long as it is a power that is at least related to the purpose of the act?

Mr. TAFT. Oh, no. A power that the President has.

Mr. CORDON. Well, that is unlimited under the War Powers Act, as nearly as I can determine it.

Mr. TAFT. Oh, no; it is not at all unlimited. The President can do, of course, anything under the Second War Powers Act relating to priorities, but that is all that I know of.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Michigan.

Mr. FERGUSON. Yesterday I made objection to the language on page 39 respecting premium payment, and I understand it has been amended now to include the phrase "as determined by the Housing Expediter by general regulation for the industry involved."

Mr. TAFT. That is correct.

Mr. FERGUSON. That is much better language than that originally contained in the bill. But I am wondering whether it is not possible to provide in this bill some standard so that we will have a place from which to start. It appears that this measure would allow the Expediter to make a standard for all the industries, but there is no starting point. I will state what I have in mind. Let us take oak flooring. One manufacturer, A, is manufacturing it now and the price is \$75 a thousand. Another man comes along and says he will manufacture flooring if he can get \$100 a thousand, which is the amount the Expediter can pay him for 50 percent of his production,

while paying him \$75 a thousand for the other 50 percent, since he is a new manufacturer. Under this bill would it not be possible for the Expediter, in his own discretion, to start the manufacturing of flooring under such an arrangement, whereas if a manufacturer could increase his capacity only 30 percent he would be paid 25 percent for such increase? That is a correct statement, is it not? So the Expediter could say what manufacturer should be chosen to make new material and what manufacturer might be classified as increasing his output?

Mr. TAFT. He could not say what manufacturer can do so. He must make a rule. He could say, "It has got to relate to your present production, which is zero or 50,000 units"; or he could say, "It relates to your 1941 production capacity"; or he could say, "It relates to your present capacity instead of your present production." But whatever he does in the case of one member of an industry he has to do throughout the industry. I rather doubt whether we could lay down a rule which would apply to all industries. The needs in each industry are different, and I should think the Expediter would prescribe in the normal course different rules in different industries.

I was concerned about this question, and it is my objection which is responsible for this 50-percent provision, which was put in the bill to meet my objection. We said, "Take an old manufacturer who is in competition with a new manufacturer. A premium payment on 100 percent of additional production would be too much for the new manufacturer. It would set up a new manufacturer alongside an old operator, and subsidize the new manufacturers to compete with the old operator." It seemed to me that that was not fair, so we placed in the bill an over-all provision that premium payments could not be made on more than 50 percent of production. It might be that that would give the new manufacturer some advantage. On the other hand, it is a great deal of trouble to start a new business. Money must be obtained and a labor force must be built up. The additional advantage of a temporary subsidy to help a new manufacturer get started would not be enough in itself to enable him to compete with the old manufacturer. Incidentally, the old manufacturer would be in a far stronger position if he wished to double the size of his plant and receive a premium on 50 percent of his production, as compared with a new manufacturer.

Mr. WHERRY. Mr. President, will Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. But we do not know what basis would be established. We do not know what the Expediter would do. We do not know on what basis he would make his rules. If an old manufacturer were industrious and could attain a production far in excess of what he had ever achieved, how do we know that he would receive any incentive payments? It would be up to the Expediter to make the incentive proposals to the individual. It would not be on an industry-wide basis.

Mr. TAFT. It would be on an industry-wide basis.

Mr. WHERRY. There is no legislative requirement for it in the bill. We are depending entirely on the Expediter to make the rules.

Mr. TAFT. The plan would be determined by the Housing Expediter for the general industry involved.

Mr. WHERRY. The rules which he makes—

Mr. TAFT. The rules must apply to everyone in a particular industry.

Mr. WHERRY. How do we know what the Expediter will do?

Mr. TAFT. We do not know.

Mr. WHERRY. That is the difficulty.

Mr. TAFT. But the rule must be a general rule. The Housing Expediter could not say to one man, "I will give you a premium payment," and to another man, "I will not give you a premium payment."

Mr. WHERRY. The OPA is doing that now. It is making vertical adjustments in price levels throughout industry.

Mr. TAFT. That has no relation to this measure.

Mr. WHERRY. The administration of the proposed act would have to be on the same basis.

Mr. TAFT. It would not have to be on such a basis. The Senator has no authority for his statement.

Mr. WHERRY. There is no legislative requirement in the bill for an industry-wide basis.

Mr. TAFT. The OPA would in no way regulate the giving of premium payments. The language in this bill is entirely different, and the administration of the law must conform to the language of the new act.

Mr. WHERRY. Take the production of milk. There is a complete industry-wide rise in price. But under the terms of the proposed legislation the Expediter would make the rules. He would establish the base. Why should we offer an inducement to a manufacturer who is in full production, and who has all the capacity he desires? It is the marginal operator, the new producer, to whom the incentive must be given.

Mr. TAFT. Not at all.

Mr. WHERRY. We shall have to make new rules, or there will be no increased production. That is all there is to it.

Mr. TAFT. The Senator from Nebraska asked why we should subsidize an old manufacturer.

Mr. WHERRY. So as to get production.

Mr. TAFT. All we are interested in is more materials; and as a general rule we get more materials from those who are now making such materials.

Mr. WHERRY. They have not—

Mr. TAFT. Let me finish my statement. The old manufacturers have the know-how. They know how to produce the materials. They know where to sell them. They can reduce their overhead by increasing production. In all probability, the place where we will get the greatest increased production is among the old producers. We must have a rule which will treat the old producer as well as the new producer. There must be a general rule for the industry involved.

Mr. WHERRY. I should like to point out to the distinguished Senator that if he wishes to accomplish the result which he has described, all in the world that is necessary is for the OPA to grant increased prices in the lower brackets on lumber, under the profit-motive incentive. We can obtain increased production much more quickly and much more effectively under that method than under any other.

Mr. TAFT. I have already stated my view that this plan will not work without an increase in prices, but the price increase need not be so large in many industries if we have a premium plan for increased production only.

The Senator from Nebraska has referred to the lumber industry. In my opinion, the premium plan will not work very effectively in the lumber industry.

Mr. WHERRY. That is correct.

Mr. TAFT. There are approximately 4,000 units manufacturing lumber. It is very difficult for me to see how the premium plan would work with respect to lumber. In the case of lumber, I think there is no question that the OPA is responsible for the shortage. At least, it is responsible for the shortage not being cured. In the case of lumber, the OPA gradually increased the prices of all kinds of heavy lumber and timbers. I have gone over the schedules, which show that the OPA has raised the price of heavy timbers—that is, green timbers, not kiln dried—to approximately \$59 a thousand feet. At the same time, there was no great fuss about building materials, and the prices of kiln-dried lumber—2 by 4's, 1 by 6's, and sheathing—were held down to practically the original prices, although the cost of producing lumber increased very greatly, and wages increased. I believe that the figure which I saw for kiln-dried lumber was approximately \$34.50 a thousand, as compared with the prices of large timbers. I do not know whether that situation has yet been corrected. Efforts were made to correct it 6 months ago, and yet the interminable process of the OPA has delayed those efforts.

I am certainly the last one to deny that the housing shortage has been seriously aggravated by OPA prices. In the case of lumber, what happened was this: Certain operators would buy green lumber at high prices, cut it up, and sell it on the black market at \$100 a thousand feet instead of \$34.50. Without any doubt an adjustment in the prices of housing lumber would have increased the production of lumber much more rapidly than it has been increased. Lumber is in a curious position. We are producing lumber today at the rate of approximately 26,000,000,000 feet a year. I believe that the estimated production for 1946 is approximately 30,000,000,000 feet a year; and all the lumber required for the entire housing program in 1946 is 7,000,000,000 feet. Of course, there are tremendous demands for lumber from other sources—by railroads and many other users. But so far as the lack of housing lumber is concerned, in my opinion it is due solely to the mispricing policies of the OPA.

I do not believe that the premium-payment plan would do much good in the

case of lumber. As a matter of fact, the Housing Expediter did not propose such a plan, and laid before us no plan whatever for premium payments in the case of lumber.

Mr. WHERRY. I am in entire agreement with the Senator's last statement.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I should like to ask the able Senator to turn to page 39, line 12, clause 12, clause (1). I should like to read that, and then I wish to read clause (3) on page 40, beginning in line 3. I believe I shall be able to prove that the subsidy is purely a political pork barrel. It will do absolutely no good. It is unworkable and inconsistent, and will be so confusing that it will hinder rather than help.

I read from page 39, line 12:

(1) Premium payments shall be used temporarily only with relation to additional units of production beyond that otherwise attainable, where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

(3) Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

The first paragraph I read has to do with individual producers. The second paragraph I read states that the premium payments shall be applied to an entire industry.

Mr. TAFT. Mr. President, let me say that the first part was amended. Perhaps the Senator was not in the Chamber at the time when that occurred. The provision on page 39, beginning in line 12, now reads as follows:

Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved) where such premium payments are necessary.

And so forth.

Mr. CAPEHART. So the provision has been changed; has it?

Mr. TAFT. Yes, by the insertion of the additional words I have just read.

Mr. CAPEHART. As the provision is amended, does the Senator from Ohio understand it to mean that the Housing Expediter can pick out three factories, let us say, out of all those in a given industry? Does the Senator think the Housing Expediter would be authorized to pick out three factories which he thought needed help by means of premium payments, and that he could make such payments to them only?

Mr. TAFT. No, I do not understand that he could do so. The base he chooses must be applied to the whole industry.

Mr. CAPEHART. In other words, in the case of the plywood industry, with perhaps 100 manufacturers, regardless of how inefficient many of them may be, if the Housing Expediter found that one of the efficient ones needed the premium payments, he would be required to make such premium payments to all the manufacturers in the industry; would he?

Mr. TAFT. He must make a rule based on premium production, and must apply it universally within the industry.

Mr. CAPEHART. That is exactly my point. For instance, if in a given industry, there are 97 inefficient producers and 3 efficient producers, and if the Housing Expediter decides that he needs to give help to those 3 producers by means of the premium payments provided for by the bill, under the bill as it is written he would also be required to make the premium payments to the other 97 producers. Is that correct?

Mr. TAFT. Yes; if he wishes to increase their production by means of making the premium payments, he must treat every other manufacturer in the same way with respect to the premium payments for increased production, as I read the provision.

Mr. CORDON. Mr. President, has the Senator from Ohio given consideration recently to paragraph (3) on page 40, beginning in line 3, which seems to be inconsistent with the amendment made on page 39, beginning in line 12? Paragraph (3) on page 40 reads as follows:

(3) Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

Mr. TAFT. Mr. President, so far as I am concerned, I should like to see those words stricken out.

Mr. CORDON. But so long as those words remain in the bill, they definitely modify the amendment which was made on page 39, and seemingly they definitely give to the Expediter the right to discriminate as between two individual firms manufacturing the same type of product.

Mr. TAFT. I think that in occasional cases it probably would permit a change in the rate. The two things are somewhat different, because in accordance with the other provision the increased production must be—

beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved) where such premium payments are necessary—

And so forth. In other words, what is determined by general regulation is the base on which the additional production is calculated. Paragraph (3) on page 40 relates to the rate of premium payments. But I agree with the Senator that I think they should be uniform.

Mr. LANGER. Mr. President, I should like to ask the Senator from Ohio if he believes that a veteran who wishes to live on a farm is entitled to the same chance to build a house that a veteran who lives in a city is entitled to.

Mr. TAFT. I think so.

Mr. LANGER. Then I call the Senator's attention to the provision on page 24, beginning in line 10:

Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations or unimproved lands as in the judgment of the Expediter may be necessary to effectuate the purposes of this act.

Then on page 33 we find the following definition of "unimproved lands":

(e) The term "unimproved lands" shall mean any real property (to which there has not been affixed any building or structures) located within the corporate limits of municipalities or suitable for subdivision for use for the veterans' emergency housing program.

Under that definition I am wondering about a veteran who wishes to build a house 4 or 5 or 6 miles out of town, in Wisconsin or Michigan or North Dakota. How could he do so under the provisions of this measure?

Mr. TAFT. Mr. President, the Senator from North Dakota has referred to provisions which have nothing at all to do with the construction of houses. The language on page 24 which he read relates only to the fixing of prices on existing houses. It has nothing to do with the building of houses. The regulation which is limited in its scope to certain geographical areas is one which provides that if a house or an unimproved lot has once been sold for \$1,000, that price remains the ceiling price for the next 2 years.

The definition of unimproved land was modified so as not to include farms, because we did not wish to say to a farmer, "If you buy land at a certain price after the passage of this act, you cannot turn around and sell it at an increased price."

The definition to which the Senator has referred is included for the purpose of defining unimproved lots, meaning building lots. Just as there has been speculation in homes, there has also been speculation in lots available for subdivision.

The purpose of the provision—although I am not supporting it—is to prevent speculation in building lots. The owner of a building lot may sell it the first time for any price at which he chooses to sell it; but having sold it at that price, it cannot be resold at a higher price. That is the provision. We did not wish to apply that rule to farms, because there is not the same reason for it, and there is not the same speculation in farms at the present time. But there is absolutely no distinction. Under this bill a veteran can build a house on a farm if he wishes to do so, and he can obtain all the advantages of the bill, whatever they may be.

Mr. LANGER. I thank the Senator. I wished to be sure about that.

Mr. TAFT. Yes; that is absolutely certain. In fact, the existing priorities—they are not provided by this bill—require that under present conditions no one but veterans or builders may build houses in the United States or obtain permits to build houses. We could not ask a builder to wait until he had 100 veterans lined up as potential customers, if he planned to build 100 houses. But if he wishes to build 100 houses, for 60 days after they are completed he must sell them to veterans only. The prices on the houses are fixed, and he must sell them only to veterans; or if he plans to lease the houses, he must lease them only to veterans.

Mr. LANGER. So under this measure if a veteran wishes to build a house far from the city of Washington, perhaps 5 or 6 miles away from any other house, or far out in the country in Iowa or in some other State, he will be able to build it and he will be able to obtain all the benefits which a veteran building a house on a town lot will be able to obtain; is that correct?

Mr. TAFT. I should not like to make so sweeping a statement, because today

the FHA probably has limitations in regard to the building of houses on farms. I will say to the Senator that the last title of the Wagner-Ellender-Taft bill contains a provision to permit any veteran to build on a farm. That provision is made in connection with other rather elaborate housing provisions for the construction of houses which were worked out with the Department of Agriculture, and which would extend the FHA into that field, and also would provide for the making of direct loans for that purpose by the Secretary of Agriculture. So far as this bill is concerned, there is no discretion. It does not actually provide for the building of homes except as it concerns the provisions extending title 6 of the FHA Act. In general, the veteran is taken care of by the GI bill of rights. Of course, under that act, if he wanted to borrow the money he could obtain \$2,000 for the construction of a house on a farm.

Mr. LANGER. What kind of a house could be built on a farm for \$2,000?

Mr. TAFT. Perhaps the Senator would like to have enacted into law the Wagner-Ellender-Taft bill.

Mr. LANGER. The question in my mind is this: If we pass the pending bill, why pass the other one to which reference has been made? It appears to me that the poor veteran is going to be left out in the cold just as he has been in the past.

Mr. TAFT. I will study the section and see if some practical help cannot be offered.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FERGUSON. Is it not true that the FHA today has authority to establish a standard, determine what kind of a lot a house may be erected upon, and prescribe where a veteran's home may be constructed in the event he wishes to secure an FHA mortgage?

Mr. TAFT. Yes; but I would say that a veteran with a \$2,000 loan would have no difficulty in any city in borrowing the balance from a bank without any help whatever from the FHA. Today the financing of homes is comparatively easy.

Mr. FERGUSON. With regard to the question of production, I find no definition of "production" in the bill itself. Am I to understand that the language applies all along the line where any work is done on an article which is to be used in the construction of a home, and that a premium payment may be made on any phase of the processing?

Mr. TAFT. It would apply to all processing, I would say.

Mr. FERGUSON. Would it apply, for example, to the manufacture of cabinets?

Mr. TAFT. Yes; I believe that cabinets are considered to be a part of a house. I do not believe that it applies to furniture. I believe that it would apply to built-in kitchen cabinets.

Mr. FERGUSON. So the premium payment may be made on processing all along the line?

Mr. TAFT. That is correct.

Mr. LANGER. Mr. President, in the West, at least, the building and loan associations will not loan a farmer's son

any money for the purpose of building a house in the country. So far as I know, the FHA has not done so.

Mr. TAFT. A provision was incorporated in the FHA law covering the situation, but I agree with the Senator. I do not believe that it has been effectively worked out. We were very much concerned about it in our general study of the subject of housing, and that is why we inserted the provision in the other bill with regard to the construction of farm housing and financing for that purpose.

Mr. LANGER. Does the Senator have a copy of the Wagner-Ellender-Taft bill handy so that I may examine it?

Mr. TAFT. Yes; I will hand the Senator a copy.

Mr. LANGER. I understand it is the next bill to be considered.

Mr. TAFT. I so understand.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. A few moments ago the Senator mentioned the subject of price ceilings on houses. The subject is referred to in the bill on page 24, section 3 (a). As I understand, the Expediter—a new name under the bill for an administrator—has the power, after one sale of a house has been made, to fix a ceiling thereafter at the price for which the house was sold. That authority applies not to new houses, but to houses which have been owned many years, and, perhaps for generations, by families in this country. Am I correct?

Mr. TAFT. Yes. After the enactment of this bill into law, a house which has been owned by a family for the past 20 years, for example, in the city of Washington, may be sold by that family for any price which it can obtain.

Mr. REVERCOMB. One sale.

Mr. TAFT. Yes. The person who buys the house is limited thereafter to selling it at the price which he paid for it. That is the rule provided. I am not proposing to defend it. I would prefer not to have any further price regulation, but I do not think the provision is very important, one way or the other.

Mr. REVERCOMB. I am glad to hear the Senator say that he will not defend the provision, but I do not agree with him in his statement that the provision is not important. I think it is the most far-reaching attempt to control the property of individuals, and particularly the homes of people, that I have ever seen made in connection with a proposed law. I can understand how it might be justifiable to exercise a control over properties which are to be used for commercial purposes. But, to say to the owner of the home, "You may not sell this property above a certain price," I think is going pretty far in invading the rights of people with respect to the ownership of property. It is a definite control by the Government in connection with a person's use of his own home and his right to dispose of it. While I do not wish to address myself to this subject at the present time, I hope that before we vote on the bill section 3 (a) will be eliminated, and that the Government will be prevented from controlling the rights of families who have owned their homes for many years.

Mr. TAFT. I voted to strike the section out of the bill when it was being considered before the committee. However, a family which has owned a home for a great many years may sell it for any price it can obtain, but it may not sell it to a speculator. That is about what it amounts to. In effect, an effort is being made to force the sale of the property only to persons who really want it as a home. The provision to which the Senator referred would not be justified under any circumstances for more than a very temporary period of time. I do not say that it represents any more of a radical limitation on the rights of persons than were several thousand limitations which were imposed during the war, many of which I disapproved. I do not believe that the section has very much to do with the construction of houses for veterans.

Mr. REVERCOMB. Mr. President, I may say that while the property may not have been in the ownership of one family for generations, yet the sale involves a matter of dealing with those who have made the property their home, and the purchaser no doubt would buy such a property, large or small, as a house in which to live.

The Senator has mentioned speculators. Of course, we all wish to discourage speculation in connection with matters of this kind, but why deprive individuals of the right of selling their property and purchasing property on terms which can be agreed upon as to the value of the property?

Mr. TAFT. Why fix prices at all? Why fix prices on everything that we have been fixing prices on? One of my objections to the provision was that I thought it was very difficult to fix a price on capital goods without evasion. I am only afraid that this provision would result, so to speak, in a black market in houses. The evasion of the law might result in an illegal amount of as much, for example, as \$5,000. There are many persons who are so weak as to be willing to evade the law in order to obtain that much money, whereas a current operator would not ordinarily wish to indulge in the practice of evading the law. So I think the provision would be evaded. That is one reason why I voted to strike it out.

Mr. REVERCOMB. Does not the Senator think it invites evasion? It is such a drastic new thing in American principles of government that people are not going to accept it very willingly.

Mr. TAFT. A man who has owned his home all his life can sell it for anything he desires to sell it for. So I do not think there is need for sympathy in the case of the long-owned family home.

Mr. REVERCOMB. Should we have sympathy for the home owner? This cuts both ways; it cuts against the veteran who buys his home, and moves out of town and makes a profit.

Mr. TAFT. That is one of the objections to it, because if, after he buys a home, he is forced to move out of town, he may have to sell it, and he is prohibited from selling at a profit.

Mr. FERGUSON. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Michigan.

Mr. FERGUSON. The bill would include a builder who buys a lot and builds on it, and then sells the completed home. He would not be permitted to make any profit whatever on the resale of the lot.

Mr. TAFT. He can not now. A builder today is limited, in the selling of a house, to cost plus reasonable profit, and the bill in another provision puts that into the law in so many words. That is what the OPA is doing today, it is saying that a builder cannot build a house and sell it at more than it costs plus a reasonable profit.

Mr. FERGUSON. That at least is not in the law, but only in an OPA regulation.

Mr. TAFT. An OPA regulation, the validity of which I somewhat doubt, but it is in the bill, in the part dealing with new houses, which establishes a very fair basis, much fairer than the OPA regulation, because it requires that the builder be permitted to sell, taking into consideration, as provided on page 25, "reasonable construction costs" and "fair market value of the land—immediately prior to construction"—which language I think has been changed—"with the housing accommodations, and a margin of profit reflecting the generally prevailing profit margin." I think that has been changed to "percentage," and concludes, "percentage upon comparable units during the calendar year 1941." That is a much better deal than the OPA is giving most businessmen.

Mr. FERGUSON. As I understand, the bill is for the purpose of aiding veterans alone. Is that a correct statement?

Mr. TAFT. No; I do not think that is a correct statement. In a way, it is almost impossible to do that.

Mr. FERGUSON. That is what I had in mind in my next question. If we are to pay a manufacturer of flooring, we will say, a certain percentage of his 30 percent increase, say 25-percent increase in the price, and it turns out that all the material is used in a non-veteran's home, then the United States Government, through the taxing process, is paying a subsidy to the non-veteran. Is not that a correct statement?

Mr. TAFT. I do not think this subsidy can be justified on any basis as a subsidy for veterans. As a matter of fact, the production of materials is something which relates not only to housing, it relates to other private construction. In fact, other private construction will be in larger volume, other private construction and repairs will account for nearly twice the amount of material used in houses.

We cannot say, "You cannot have any lumber for railroads, you cannot have any lumber for ties, because we need it all for housing." If we are to stimulate production of lumber we have to stimulate it over-all, and whatever we do we simply hold down the price for everyone.

Furthermore, there is no particular reason for subsidizing veterans. Many veterans are wealthy and there is no reason why they should be subsidized. If

there is a desire to subsidize veterans the way to do it is to pay the veterans a bonus. There is no reason why a veteran who wants to buy a home should be subsidized ahead of the veteran who does not want to buy a home.

Mr. FERGUSON. Is it not true that we have seen in news items and heard over the radio that this is a veteran's housing bill? Is it not true, as the able Senator from Ohio says, that if we pay a subsidy for cutting down a tree, the lumber may be used in a veteran's home or anyone else's home, or in a factory, or for the repair of a dock, or even a ship, as the case may be?

Mr. TAFT. That is correct.

Mr. FERGUSON. And it is proper to say that a subsidy is being paid for that rather than to say that it is being paid for the veteran's home.

Mr. TAFT. The subsidy is exactly the same kind of a subsidy as the copper subsidy was, that is, if it works out in the way it is intended to operate. The subsidy is an effort to show that it is sufficiently important to us to keep prices from going up in a field where there is a tremendous scarcity. A subsidy of \$20,000,000 is justified, according to my argument, if we are to save the consumer, we will say, \$50,000,000 a year.

So long as we have price control anyway, the subsidy is justified. I intend to oppose the continuation of the food subsidy, because in that case we do not save a cent. The whole subsidy is simply a subsidy to the consumer, and saves the consumer exactly the same amount of money that is represented by the subsidy. But if we can, by judicious use of premium payments, help in the problem of holding prices down, I think it is justified.

I think there has been much politics in connection with the bill, in favor of it, as well as some against it, so far as that is concerned. I think it is the only method I know of, one of whose results may be to increase veterans' housing, but certainly that is not the only result.

Mr. FERGUSON. Then it is not exactly a correct statement to say that this is a veterans' bill, because the veteran will benefit only, as I see the bill, when he gets priority for building materials with which to build a home.

Mr. TAFT. He now has such a priority.

Mr. FERGUSON. Then, what will the bill give him which he does not now have?

Mr. TAFT. The bill should afford it to him somewhat cheaper, and should result in his getting the material. The primary purpose of the bill is to increase production so that the veteran can get the materials with which to build a home, which today he cannot build. That is the main purpose of the bill. Whether it will accomplish the purpose I do not know. I do not like to deny Mr. Wyatt any reasonable means which he thinks can produce the result, and which I think in some industries may produce the result, and in some industries may break bottlenecks, which might be broken by increasing prices, but might not, and which might be broken by increasing

prices at two or three times the expense involved in the premium payments. But I think the means proposed, if used with care and discretion, and combined in proper cases with increase in price control, can increase production.

Mr. FERGUSON. Is there anything in the bill which requires the Expediter to file with Congress in any reasonable time, semiannually or annually, a report showing what he has done with the money expended in the form of premium payments?

Mr. TAFT. Does the distinguished Senator from Kentucky know whether there is provision for a report?

Mr. BARKLEY. There is no specific provision requiring the Expediter to report periodically, or at any particular time. Of course, the Reconstruction Finance Corporation does make reports to Congress, and inasmuch as it pays the premium payments itself, the committee did not think it necessary to require the Expediter to make a report, although personally I should have no objection to having him do so.

Mr. FERGUSON. If the bill contained such a provision, then we could see how he was using the money, and ascertain whether it was being used solely to obtain materials the veterans might need.

Mr. TAFT. I think the veterans will get whatever housing is built, and the whole problem is to increase the production of materials.

As I have said, there is one thing that is necessary. We cannot say that a veteran's priority shall extend to houses which are already arranged for by veterans. Many veterans want to rent, and we have to give priority to those who want to build apartment houses, and the like. However, we require that they give veterans a priority in renting, under those circumstances.

Mr. LANGER. Mr. President—

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Ohio yield to the Senator from North Dakota?

Mr. TAFT. I yield.

Mr. LANGER. I think the distinguished Senator will get some comfort out of an advertisement which appeared in the Bismarck Tribune, published at the capital of North Dakota, in its issue of last Saturday, entitled "The Truth About Home Building in 1946." It is a full page advertisement, and I read from it:

It's time veterans and all citizens were told the truth about the home building situation.

This sustains the contention of the distinguished Senator:

The main bottleneck to home construction is production of materials and equipment.

No legislation, Presidential announcement, Government control plan, or system can produce a single additional home until production of materials is speeded up.

Lumber dealers in the building industry are eager to build homes for veterans and all citizens who need them. The reason few homes are being built is because materials are not being produced.

WHY?

1. Governed by OPA's wartime pricing formulas, it is still more profitable for lumber mills to make items for export—

As the Senator well knows, over a billion feet of lumber were exported within a very short time to Mexico and South America—

and the items formerly required for war use than it is to make lumber usable in home construction.

I ask unanimous consent that the entire advertisement may be printed in the RECORD at this point.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

THE TRUTH ABOUT HOME BUILDING IN 1946

It's time veterans and all citizens were told the truth about the home-building situation.

The main bottleneck to home construction is production of materials and equipment.

No legislation, Presidential announcement, Government control plan, or system can produce a single additional home until production of materials is speeded up.

Lumber dealers and the building industry are eager to build homes for veterans and all citizens who need them. The reason few homes are being built is because materials are not being produced.

WHY?

1. Governed by OPA's wartime pricing formulas, it is still more profitable for lumber mills to make items for export and the items formerly required for war use than it is to make lumber usable in home construction.

2. OPA's wartime pricing formulas are still keeping thousands of small mills out of production.

3. OPA's enforcement policies have allowed the creation of a large black market in lumber which is moving outside of regular channels of trade.

4. OPA's slowness in adjusting mill ceiling prices on hardwood flooring, siding, millwork, and plywood has contributed to the difficulties mills are having in securing necessary manpower.

With 400 brick and tile plants closed, it took 6 months for OPA to adjust prices. Now an additional 125 plants have opened and production is up 35 percent.

Clay sewer pipe, cast-iron soil pipe, and gypsum board manufacturers have experienced a similar OPA delay in the granting of price adjustments to make increased production possible.

No amount of juggling with an insufficient supply will produce a single home more than can be built with material available.

The OPA can hardly hold present price ceilings when it has no control over volume of employment, labor wage rates, cashing of Government bonds, and installment or credit expansion—but the OPA can act as a block to reconversion by clinging to unrealistic wartime price ceilings.

Unblock the production of materials caused by unrealistic wartime price controls and the building industry will build enough homes for veterans and all Americans!

Any Government program that does not first remove the obstacles blocking production of materials will simply add additional difficulties to the problem facing the building industry.

This advertisement sponsored by the following dealers: O. E. Anderson Lumber Yard, Central Lumber Co., Quality Builders, Gerlach Sheet Metal Works, H. A. Thompson & Sons, Bismarck Lumber Co., Klein Lumber Co., Anderson Hardware, B. K. Skeels, Melvin Welch & Sons, Fred J. Hessinger Plumbing & Heating.

Mr. LANGER. Let me particularly call attention to the fact that this advertisement is signed by every lumber company and by every plumbing company and by every hardware company in the State of North Dakota. Some of these men are

outstanding citizens. A good many of them had sons who were killed in the war. They are men who meet regularly and discuss these matters, and, in my judgment, are just as competent to speak about this matter as is Chester Bowles or almost anyone else in Washington.

Mr. TAFT. I think at this point, as a matter of interest, I should put into the RECORD the figures on lumber which were given to us. In 1939, lumber production in this country was 28,600,000,000 feet. In 1941 it was about 36,500,000,000 feet. Today we are producing at the rate of 36,000,000,000 feet, and we expect an estimated production in 1946 of 30,000,000,000 feet. The capacity of the mills is 36,000,000,000 board feet. The total requirement for the 1946 housing program is only 7,800,000,000 feet. So obviously the question of the production of lumber is not one of premium payments. It is a question of the lumber being diverted away from housing to other uses by reason of the mispricing of the OPA.

Mr. LANGER. Can the Senator tell us how much lumber was exported last year from this country and how much was exported the year before?

Mr. TAFT. My recollection is about 600,000,000 board feet. The export figure is not very important. It can be seen that out of 36,000,000,000 feet the export of 1,000,000,000 feet is not overwhelmingly vital. But I think the estimate for this year is that 600,000,000 feet may be exported.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The amount exported last year was about 350,000,000 board feet. It was not the type of lumber that is used in houses. And to offset that I might say that about 1,000,000,000 board feet were imported. That is, about three times as much lumber was imported as was exported. It is estimated that this year there may be a step-up in the exportation of the type of lumber that was exported last year, from 350,000,000 feet to a little more than 600,000,000 board feet, but it will not be the type of lumber that will go into the construction of houses in this country.

Mr. TAFT. I can assure the Senator that compared with the question of pricing, the amount of lumber exported is not material. The pricing is something I cannot understand. The distinguished Senator from Kentucky yesterday referred to the necessity for premium payments because of the interminable process, the length of time for getting price adjustments. In my opinion the OPA is wholly unjustified in requiring any such interminable process to make price adjustments.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator was not quite accurate in stating my position.

Mr. TAFT. Did I misstate the Senator's position?

Mr. BARKLEY. I said if we had to rely solely on price increases of building material that it might require such a length of time as would make it impossible to accomplish the task within the period fixed by this legislation. I have

myself complained to the OPA on occasions for the delay in reaching a decision one way or another on applications, but I did not take the position that this legislation is necessary only because of the delays in the OPA in fixing the price of lumber. That is only one element. I do not think it is the determining element in the need for the pending bill.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I should like to ask a question in view of the statement just made by the able Senator from Kentucky. What has the OPA been doing for the past year? Why have they not adjusted the prices of building materials during the past 6 or 8 months? The shortage of housing was as acute 6 months ago as it is now.

Mr. BARKLEY. Without the Senator from Indiana intending it, it is a sort of a trick question. What has the OPA been doing for the past year? I have not been down there. I have not been sitting around watching what they have been doing. They have been busy. They have been adjusting prices of various kinds. There are many things they have to deal with besides lumber. It seems impossible to get some Senators to understand that there are many building materials that go into housing besides lumber. Lumber is only one of the things that go into a house. But if the Senator wants me to give a categorical, meticulous, specific, blueprinted answer to the question as to what the OPA has been doing, I would have to ask him to give me a little time to look into it.

Mr. CAPEHART. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I understood the Senator from Kentucky to say that the reason why we may not be able to do this job is because of the time required for the OPA to make certain adjustments of prices. My question, I think, was a sound one. Either the prices the OPA established—and they have established prices on all building materials—were fair and equitable, or they were not fair and equitable. They have already established prices. If the prices were not fair and equitable, I should not think it would be such a huge task to readjust them.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator from Indiana of course is entitled to his opinion with respect to OPA, and I do not want to get into an argument about the OPA. We will reach that soon enough, and pretty soon, I hope. But what I said yesterday, and what I reiterate today in answer to those who rely only on price adjustments to stimulate production, is that even if we could hope ultimately that prices would be adjusted sufficiently high to induce greater production, it would take a length of time that would make it impossible to carry out the program.

Mr. CAPEHART. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I rather think I am called upon, Mr. President, to make this

statement: My observation has been over the past 12 to 14 years that the only known method in the city of Washington to meet an emergency or cure a bad situation is that of asking the Congress to vote an additional few billion dollars and to give the administration more power. In other words, they know only two ways to cure any economic difficulty—either through the appropriation of an additional billion dollars or the grant of more power, and in most instances, if not in every instance, they not only ask for more money but they ask likewise for more power.

At the moment we have an example of that in this bill. The emergency exists; we all agree that it exists. We need more houses. But instead of trying to solve the problem in the American way, through private enterprise, the administration rushes to the Congress of the United States and asks it to vote them a few extra hundred million dollars, and possibly before we are through with it it will run into a few billion dollars, and to vote them unlimited power, to be exercised by a Housing Expediter.

When Mr. Wyatt was before our committee I asked him, if he were a Senator, would he vote to give any one man the power he was asking us to give him? He hesitated a moment and said, "Yes, I think I would vote to give me—Wyatt—the power."

Mr. President, I dislike to make that observation, but I have come to the conclusion that the time has arrived when we should stop, look, and listen, and give a little more thought to trying to solve the problems that confront this Nation. I grant that there are many of them and that they are profound and difficult to solve; but let us see if we cannot at least once solve one of the problems in the American way, through private enterprise, and not by voting unlimited power to one individual and spending a few additional billions of dollars.

Mr. TAFT. Mr. President, referring again to the statement made by the distinguished Senator from Kentucky, he said yesterday:

If in any case the process through which repricing would be available would bring about such a delay as to nullify the word "rapidity," I think the Expediter would not be justified in waiting an interminable length of time in order to bring about repricing, and get all the facts that would justify it. In that case the terms in which this language is couched would not be fulfilled.

What I object to is the fact that there is an interminable delay in OPA repricing. I have disputed with Mr. Bowles about that for the past 3 years. The reason there is interminable delay is that they do not care to see anybody make a profit; and before they can adjust a price they want all of a firm's financial statements for the three previous years. They want to calculate the return on the invested capital. They want vast reams of reports which are almost impossible to obtain. Mr. President, I think that is wholly unnecessary. Every businessman has to price his product without waiting for such figures. He has to make his own price. He has to take a rule of thumb guide.

If by any chance OPA should put the price a little higher than it ought to be, or a little lower than it ought to be, certainly that is much better than to wait 6 months, and let a business go on losing money in the interval, and cutting down production. That was not so bad in the war. When people fell by the wayside they were casualties of the war, and production was obtained by the Government buying goods and sending them to the Army and Navy. But today we want to encourage production in normal ways. Unfortunately we shall be faced next month with the choice of continuing the present control of OPA, or no price control at all. It seems to me that we ought to have a reasonable price control; but I think it should be recognized, whether we vote for the premium payments or not, that the basic cause for delay in getting production today in building materials is the delay of the OPA. I certainly subscribe to that statement 100 percent. However, I feel, as I have stated, that much can be accomplished by the judicious use of premium payments. Mr. Wyatt is not the OPA; his general views have not been those of the OPA. He would have power to force the OPA to act expeditiously, if he would exercise that power. We propose to give it to him to accomplish that result. I would have preferred to transfer to him all powers to fix prices upon building materials, and let him take over the existing personnel, or find his own personnel. But the power to order OPA to take action is worth something. Mr. Bowles might go to the President and say, "He cannot do this, or I will resign", and he might persuade the President to overrule the orders of Mr. Wyatt. But personally I am in favor of giving him that power. I think he can supplement the correction of price control of building materials by judicious premium payments. The theory of premium payments is that if we can obtain an increase in production by premium payments on one-third of the production without any increase in price, perhaps, in the other two-thirds, thereby the consumer of building materials will be saved three times as much as the Government subsidy which is paid. That plan has worked in some industries during the war, and I believe it can work in some phases of the building material industry. Mr. Wyatt has been willing to limit himself to 30 percent of the whole field, and to limit himself in that field to treating every one in the industry alike, and to limit the total amount of premium payments, even in the case of a new producer, to 50 percent. The premium payments would be limited to additional production. So the thing for which we make premium payments is the very thing which we are trying to accomplish.

To sum up my views on the bill, first, it is wise to put the whole power, most of which already exists under existing statutes, in the hands of one man, the Housing Expediter, for the purpose of solving this particular problem.

Second, I think it is a mistake to guarantee markets to prefabricated housing manufacturers. I believe such a policy to be unsound.

Third, it is my opinion that something can be accomplished by premium payments.

Fourth, as to the fixing of prices on existing homes, I voted against it in the committee, but I do not regard it as of tremendous importance, limited as it is.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. KNOWLAND. I should like to ask the Senator if, as a matter of fact, the production premium payment would not be a reasonably good business proposition, when we consider the fact that we have appropriated approximately \$403,000,000 so far for temporary veterans' housing, to produce some 200,000 units? If by appropriating approximately \$600,000,000 we can furnish an incentive for producing 2,700,000 homes, it would seem to me that, as compared with the money which we have already appropriated, it would be a good business proposition.

Mr. TAFT. I think we would get a good part of the 2,700,000 home without the premium payments, so the whole thing cannot be credited to premium payments. I agree with the Senator in this respect: I would far rather vote this money to accomplish this purpose in this way than to vote \$400,000,000 for 200,000 temporary houses, because that would be money thrown away. Within 3 years those houses will be no good. This plan represents permanent housing. I hope it will be permanent. If the standards are properly maintained, they will be permanent houses. They are intended to be.

I answer the Senator's question by saying that I shall vote for this appropriation with much greater satisfaction than I voted for the \$400,000,000 for temporary housing.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 328) making an additional appropriation for veterans' housing and related expenses.

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. MEAD. Mr. President, I should like to have the RECORD show my unqualified support of the pending measure, as well as the Wagner-Elender-Taft bill, Senate bill 1592.

Before I enter upon a discussion of the necessity for housing, I wish to commend the Senate Committee on Banking and Currency, including the able chairman, my distinguished colleague the senior Senator from New York [Mr. WAGNER], and particularly the sponsors of the bill, the Senator from Louisiana [Mr. ELLENDER], the Senator from Ohio [Mr. TAFT], and the able majority leader the Senator from Kentucky [Mr. BARKLEY], who has to a very large degree taken over the work in connection with the pending measure.

I regard these measures, reported a few days ago by the Committee on Banking and Currency, as the most vital legislation we are being asked to enact in behalf of the country's veterans.

The veteran's need for housing is unquestioned. Our own action in authorizing funds for the provision of 200,000 units of temporary housing attests our knowledge of how desperate the need is. Nobody wants to continue processing temporary housing. We all agree that the veteran is entitled to something better than makeshift shelter. But in the present crisis temporary relief must be given to meet most urgent needs.

Introduced the legislation which provided the necessity authorizations for these 200,000 units of temporary housing for veterans. That was the necessary step that had to be taken until permanent housing could be provided. We do not want to continue to provide temporary housing or to use it any longer than absolutely essential. We must take necessary measures that will build permanent homes of a quality that our veterans will want the rest of their lives, and at a price or rent that veterans can afford.

We must act now if we are to get decent permanent homes for our veterans so that they will not have to continue living doubled up and being denied the normal home and family life which they so fully deserve. The general housing bill is the vehicle by which we can assure the veteran a permanent adequate house for himself and his family. It is a part of the answer to our pledge to all veterans that they will have an opportunity to share in America's abundance.

The provisions of the general housing bill are vital and indispensable to the success of the veterans' emergency housing program. The emergency legislative measures of the program incorporated in the pending measure are needed to stimulate the vast increase in materials production needed for the building of 2,700,000 homes and apartments for veterans in 1946 and 1947, to channel those materials into the construction of veterans housing, and to check inflation in housing prices. The provisions of the general housing bill are needed to make sure that those 2,700,000 homes and apartments are produced at prices and rents which veterans can afford to pay. Those provisions are also needed, Mr. President, to provide the foundation now for the long-range job of eliminating slums and rebuilding American cities and towns with good homes, good neighborhoods, and good communities for all families.

We know that private industry has been unable to provide sufficient suitable housing for the middle-income and the low-income groups. According to FHA figures, about 72 percent of the FHA insured housing in 1940 was produced for families having incomes above \$2,000, which at that time was the top of the middle-income group. Practically all the remainder were produced for families with incomes between \$1,500 and \$2,000. In rental housing, there is an even more conspicuous inability under existing legislation to produce an adequate amount of rental housing for the middle-income group market, at rentals ranging from \$40 or \$50 to \$20 or \$30. Thus, there is no doubt that the middle-income families have been left largely in a "no-man's land" between private housing and public housing. Moreover, it would appear that private enterprise is unable to provide decent homes for low-income families who can pay less than \$20 rent in smaller communities and less than \$30 rent in the larger cities.

Mr. President, the deplorable fact is that there are many thousands of veterans who are without homes today, and many who are returning to civilian life day by day who are unable to pay for housing at the prices which private enterprise, unaided by the Government, can profitably provide. Right here is where the veterans emergency housing program and the general housing bill become one. For if the low-income and middle-income veterans are to have decent houses they can be provided by private enterprise only if the aids incorporated in the general housing bill become law.

The veterans' housing emergency is not an emergency only for the veteran whose income will permit him to pay for housing at prices which private builders now ask. The emergency is equally acute for the veteran who cannot pay those prices. In fact, it can be said that it is more acute for the lower-income veterans, inasmuch as they make up the bulk of those to whom decent housing is not available. Here it may be appropriate to paraphrase Abraham Lincoln's well-known statement by saying that God must love the low-income veterans, He made so many of them. They represent the largest percentage of the entire group of veterans and they must be dealt with by the combination of the legislative measures which are before us. We must realize that, unfortunately, most of the veterans are in the low-income group. It is our hope and our aspiration for them that through the economic program of legislation and the higher wage rates which have resulted from the agreements reached between employer and employee, the percentage of veterans in the lower-income group will decrease, and that the percentage of veterans in the higher-income groups will constantly increase as we improve our American way of life.

Mr. President, it is the housing need of the veterans in the low-income group, now and tomorrow, that is the compelling reason for including the general housing bill as an integral part of the

emergency housing program. The veterans' emergency housing program tells the veteran that he will have preference to buy or rent the houses that are produced, and it proposes to make certain that there is an adequate supply of labor and materials for the construction of such houses. But, Mr. President, without the aids to private and public housing provided by the general housing bill to assure that the housing produced will be within the means of veterans, the veterans' preference clause is only an empty gesture.

Senate bill 1592 contains provisions for a number of plans to stimulate privately financed FHA housing for middle-income families. That is done by means of providing for lower interest rates, long-term amortization, and smaller down payments. It is done by means of providing similar financial aids to mutual home-ownership projects and by means of providing for insurance of a minimum investment yield on large rental projects. It is also done through firm guaranties to builders, so as to enable them to reduce costs and to plan continuous production for a period of years.

Veterans' preference is particularly an empty gesture to the veteran whose income is so low as to rule out the possibility that he can afford any of the housing that private enterprise will be able to produce with the aids stated in the general housing bill. For those veterans, only a public-housing program can meet the need. Are there veterans with incomes so low that they are unable to afford private housing? The Army tells us that there are. There are groups of veterans who are in the unfortunate position of being unable to afford private housing without the specific aids provided by the general housing bill which now is on the calendar of the Senate. The Army estimates that two-fifths of veterans can afford only housing that costs under \$30 a month.

Mr. President, that is an important statement, and I shall repeat it: The Army estimates that two-fifths of the veterans can afford only housing that costs less than \$30 a month. That is an unfortunate reality, and it is an eloquent appeal for all the aid and all the benefits provided by the two pending housing measures. I hope the day will come when the Army will not be able to make such a statement. I believe our country is rich enough and courageous enough and that its legislative bodies have sufficiently able leadership to bring about such an improved economic situation that so great a percentage of the men who fight for our country will not be found in a group which can afford only housing that costs less than \$30 a month. Mr. President, such a condition is an indictment against the day and the age in which we live.

Some of this need will be met by private enterprise with the aids provided by the general housing bill which will enable it to reach lower down into the housing market than it is able to do without aid. The plain fact is that the variation in the incomes of veterans is generally comparable to the variation in the

incomes of all our people, and it is a well-known fact that the third of the Nation who are ill-housed are in that condition because their incomes are so low that they cannot afford decent housing.

Mr. President, what of those whose incomes are so low that private enterprise cannot provide them with housing, even with the assistance of the aids incorporated in this bill? For them the emergency is great, because the only housing in this country that is available to them at prices they can pay is housing that is largely unfit to live in, housing that is structurally bad, housing that lacks simple sanitary facilities, housing in areas that are badly overcrowded and are a menace to health, housing not fit for human habitation. Is that the type of housing which we can, in all conscience, offer to the veterans who risked their lives against the Nazis on the beaches of Normandy? Unfortunately it is the type of housing in which some of them will of necessity have to live unless we project this housing program even beyond present horizons and increase and improve the economic condition of the veterans. Do we wish to offer them this type of housing? Is that all we can offer to the veterans who stood under the withering fire of the Japs at Guadalcanal? Is that the type of housing to which we would want to have it said we have confined the widows and orphans of the heroes of Anzio, of Wake and Guam, of Tarawa, and of the Battle of the Bulge?

Mr. President, I bring this matter to the attention of my colleagues in order to point out to them that not only are we in duty bound to enact the proposed legislative program without crippling amendments, as we have been requested to do by the Housing Expediter and by the President of the United States, but that we should follow through in order to be able to expand the program far enough and wide enough to reach those who might not be touched by the provisions of the pending measure.

This bill cannot be our full and final answer to the veterans, nor can it be our full answer to the citizens who might find themselves consigned to live in houses which are not fit to be the homes of American families. It cannot be the answer to the widows of soldiers who gave their lives in our country's defense. Our answer must be a far more adequate one. We must provide decent homes of the type which only the general housing bill can assure, and at prices which our people can afford.

Slums and shacks unfit for habitation by American citizens are not isolated phenomena in the American scene. They exist widely, and they are a disgrace to the American standard of living. Millions of American families are not condemned to deadening, unhealthy, unsanitary living in slums near small and large cities, and in towns and small rural villages. Today we are confronted with a sheer shortage of houses for our American veterans, a shortage which is in excess of 3,000,000 houses this year and next. But, Mr. President, we are also confronted with a huge shortage of decent homes, a condition which is the outgrowth of long years of no building, and includes the needs of low-income

families. Early in 1940 two-fifths of our total housing supply—

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. CAPEHART. The able Senator represents the great State of New York, which includes greater New York, an area of approximately 14,000,000 population. In the bill which we are considering, the so-called Wyatt housing plan is primarily a 100-percent housing plan. Does not the Senator believe that we would be doing the veterans, particularly of greater New York, a much greater service if we were considering the construction of apartment buildings? How will a veteran in greater New York be able to construct a small house? Will the house be located 25, 30, or 40 miles from greater New York? Is it not true that what the veteran of greater New York, and possibly of Buffalo, needs is a small apartment of three or four or five rooms? Is it not true that the bill which we are considering is almost entirely a housing bill, involving small houses which will cost from \$6,000 to \$10,000? I fail to find at any place in the bill a provision dealing with the building of apartments for rental to veterans. The veterans need apartments. I am now speaking from experience, because I served in World War I. For 2 years after I left the Army I had several jobs, and traveled from city to city. Is it not a fact that today veterans are uncertain as to where they may wish to live, and what their jobs and incomes will be in the future? Would it not be of greater benefit to the veterans residing, for example, in greater New York if we were to concentrate our work on legislation providing for the building of apartments instead of houses costing from \$6,000 to \$10,000 which will be built at some distance from the veteran's work, and away from the city? I ask the Senator the question.

Mr. MEAD. Mr. President, that is a very good question, but before answering it I shall yield to the Senator from Arkansas, who wishes to present an amendment.

Mr. McCLELLAN. Mr. President, I send to the desk an amendment which I ask to have printed and lie on the table.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The amendment will be received, printed, and lie on the table.

Mr. MEAD. I may say to the distinguished Senator from Indiana that any kind of construction, whether it be an apartment building or small family units, will be most helpful in the present crisis, because the crisis is so deep and widespread that even a temporary program will be of assistance. In my home city of Buffalo we build, as a rule, only two-family houses when we go beyond the construction of private homes. Apartments are not the usual type of construction. With reference to the city of New York communities are developing outside the city limits. Transportation facilities are excellent. People are using automobiles and busses. There are 101 of those communities, which are healthful, and contain ample of available building space to which the general housing bill

will make a marked contribution. The pending legislation will stimulate the production of an abundance of materials—or we hope it will—which will be helpful in the construction and rehabilitation of apartments. I am sure that by this approach we will improve the lot of the veteran. But even beyond such approach, I favor legislation which will make it doubly sure that the veterans shall be housed in apartments or homes, whichever may be necessary, in the localities where they must make their homes.

Mr. CAPEHART. The Wagner-Ellender-Taft bill provides for the construction of apartments. However, the pending bill does not. I was wondering if the able Senator from New York was aware of the fact that in his great State the people of Greater New York are interested in apartment buildings, and not in houses costing from \$6,000 to \$10,000. That situation is true with respect to Chicago, San Francisco, and other cities. I would say that at least one-third of the people of the United States are interested in what the Senator refers to as duplexes. They are not interested in \$6,000 to \$10,000 houses which may be erected in the country. For that reason, I dislike to see us become excited over this bill, which is called a veterans' bill, when, in reality, it is not truly a veterans' bill. I dislike very much to see Congress or the Administration use the veteran for the purpose of "putting over" what I consider to be a bill which will not achieve the desired results.

Mr. MEAD. Mr. President, again I say to the Senator from Indiana that the veteran probably would not benefit by the construction of a one- or two-family unit if it had to be located on Times Square or on Broadway; but he would be benefited by the construction of homes in Nassau County, Queens County, Staten Island, up the Hudson for 50 miles, and in New Jersey where thousands of people reside and commute into New York every day. The rehabilitation and construction of apartments would, of course, be helpful. But the proposed legislation represents the best step in the right direction that we have taken in the matter of housing for a long time. I commend the Senate, and the committee of which the able Senator from Indiana is a member, for bringing these two measures before the Senate.

Mr. President, we are confronted today with a sheer numerical shortage of houses for returning war veterans, and again I emphasize the necessity of providing housing for war veterans. There is a shortage which will run to over 3,000,000 houses this year and next. But we are also confronted with a huge shortage of decent homes, the outgrowth of long years of underbuilding and neglect of the needs of low-income families. Even in 1940, two-fifths of our total housing supply off the farms was clearly below standard; today that percentage is much higher because of wartime curtailments in repairs and replacements. And on our farms the proportion of substandard houses is even greater.

Today there are 10,000,000 slum flats, ramshackle houses and disgraceful shacks in actual occupancy even though

they fail to meet even the rock-bottom minimum standards for acceptable human shelter. Those houses must be torn down and replaced with decent homes before we can truly say we have mastered the American housing problem. And to do that job, the provisions of the general housing bill are indispensable.

The bill makes two far-reaching attacks on the critical problem of slums. First, it will provide Federal financial assistance to communities to buy up their slums, tear down the substandard structures, and make the land available at reasonable prices for either private or public redevelopment—all in harmony with a sound community plan. There is general agreement that the Federal Government will have to share with cities the cost of slum clearance if there is to be any substantial progress in overcoming the problem of the slums. Second, for families of veterans who are unable to pay the rent that private enterprise has to charge for decent housing, S. 1592 makes assistance available to local communities providing low-rent public housing. Such financial assistance to local communities is very necessary, and, in my judgment, will prove very effective.

The bill would continue and perfect the public low-rent housing program embodied in the United States Housing Act of 1937, which has proven so successful in administration. The bill would make it possible to provide 125,000 units a year over a 4-year period, or a total of 500,000 decent homes for low-income families. In addition, provision is made for a rural housing program. Sometimes I fear we fail to realize the importance and the necessity of a rural housing program. The record is replete with information and with facts and with statistics showing that a rural housing program is as essential as any other housing program.

In both the programs, preference is given to veterans. Annual contributions are authorized which will make it possible to bring the rents in public housing within the financial reach of the families of low-income who would otherwise be compelled to live in the slums.

Our people deserve something better than the darkness of the slums as a place in which to bring up their families. The veteran and the widows made their sacrifices in behalf of a better world. The home is the keystone of a better world, and approval of the pending measure and of the general housing bill would be the Senate's ringing statement that it intends to see that every veteran and every American family shall eventually have a decent home in which to live.

Mr. President, I ask to have inserted in the RECORD at the end of the statement which I have just completed a table with respect to the low-rent housing program in New York State. It gives figures as to the existing dwelling units, the deferred dwelling units, and the requested additional units. This low-rent housing program is a very large one and a very necessary one, and I think these figures will be most illuminating. I ask that they be made a part of my statement.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New York low-rent housing program	
Existing dwelling units.....	14,125
Deferred dwelling units.....	1,412
Requested additional units.....	25,450
EXISTING UNITS	
Buffalo.....	1,913
New York City.....	10,769
Syracuse.....	678
Utica.....	213
Yonkers.....	552
Total.....	14,125
DEFERRED UNITS UNDER CONTRACT	
New York City.....	1,352
Tuckahoe.....	60
Total.....	1,412
REQUESTED ADDITIONAL UNITS	
Buffalo.....	5,000
Fort Edwards.....	50
New York City.....	19,300
Utica.....	600
Yonkers.....	500
Total.....	25,450

Mr. MEAD. If there is any doubt that a very serious situation exists insofar as the housing program is concerned, I call attention to a poll taken by the magazine Fortune and to the information contained in the poll. The poll contains information to the effect that 48.1 percent of our people, namely, a plurality, indicated that they wanted the Government to embark on a large scale home building program.

In a recent editorial in the New York Herald Tribune, based on the Fortune poll, it was pointed out that the people polled were in favor of a program beyond that of the Wagner-Ellender-Taft bill, namely, a program for Government home building.

I call this to the attention of the Senate, as evidence of the fact that such a program would be favorably received by the people. I call attention to it so as to expedite the enactment of the pending legislation, and, if it prove inadequate to meet the situation in order that we may perfect the legislation so that eventually there will be a decent home for every American family.

Mr. President, letters which I receive from college presidents throughout the country strongly recommend the bill which I introduced, namely, Senate bill 1770, authorizing the National Housing Administration to provide housing for colleges and universities under title V of the Lanham Act. That proposal was similar to the housing authorized during the war, when the Government itself built houses for our war workers.

To return to the Fortune poll—and I shall ask to have it inserted in the RECORD as part of my remarks—it gives some very illuminating figures and facts as to the number of houses and the attitude of our people toward the housing question.

Mr. PEPPER. Mr. President, will the Senator from New York yield?

Mr. MEAD. I yield to the Senator from Florida.

Mr. PEPPER. I wish to add a word of testimony to the need for the kind of

housing to which the able Senator has just referred, at colleges and universities, where veterans are today attempting to take advantage of the GI bill of rights. I could name several colleges and universities which I have visited in the past few months which have spoken about their sheer inability to let the GI's come and enjoy at their institutions the advantages afforded by the GI bill of rights, because they did not have the facilities for their housing. I think that everything that can be done to provide such facilities should be done and should be expedited.

Mr. MEAD. I appreciate the very helpful and very constructive statement of my able colleague, and I am sure it will be verified by the evidence which I shall place in the RECORD a little later.

To get back to the Fortune poll, among other things, the survey finds that—

First. Nine out of ten Americans are aware of a housing shortage in their own communities.

Second. About one-fifth say that they are doubling up because of lack of homes.

Third. Forty-six and seven-tenths percent, a plurality, think that the housing problem will not be straightened out until the Government takes much more action than it has taken.

Fortune asks this question: "Are you looking right now for some place else to live?"

Those who answered "No" were asked: "Would you be looking if there were no housing shortage?"

To this question came these replies:

Looking for a place to live, 19 percent.

Would be looking if no housing shortage existed, 12.8 percent.

Plan to stay in present home for the time being, 65.4 percent.

No answer from 2.8 percent.

Mr. President, the 31.8 percent which made the two first answers divided as follows, after further questioning:

Seven and six-tenths percent want to buy a house.

Seven percent would like to build a house.

Six and three-tenths percent want to rent a house.

Seven and eight-tenths percent want to rent an apartment.

Three and one-tenth percent are undecided.

Mr. President, of the 14.6 percent who want to buy or build, 45.8 percent named prices under \$6,000 as the maximum they would be willing to pay.

Of the 6.3 percent who want to rent a house, 76.4 percent want to pay less than \$50 a month.

Fortune magazine found that 91.7 percent of the people of the United States are aware of some housing shortage in their own communities, included 61.4 percent who term it "a serious shortage."

While the national average for doubling up is 18.7 percent of all families, hardship caused by sharing living space is greater in the lower middle group—23.2 percent—and the poor—18.3 percent—groups than it is in the rich or upper middle brackets, being about 12 percent.

Mr. President, I ask unanimous consent that the entire Fortune poll be printed

in the RECORD at this point as a part of my remarks.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

FORTUNE SURVEY ON HOUSING FINDS THIRD OF THE NATION WANTING TO MOVE; BULK OF DEMAND IS FOR HOUSES COSTING LESS THAN \$6,000, RENTING UNDER \$50—91.7 PERCENT OF AMERICANS ARE AWARE OF HOUSING SHORTAGE IN THEIR OWN COMMUNITIES; 18.7 PERCENT OF FAMILIES REPORT "DOUBLING UP"

NEW YORK, March 29.—About one-third of the Nation definitely wants to move, Fortune's latest Survey of Public Opinion disclosed today. This survey, conducted by Elmo Roper, appraises the housing shortage, and is included in Fortune's all-housing April issue.

Nearly half the prospective buyers and builders in this group want to pay under \$6,000 for a house, Fortune finds; while three-quarters of the prospective renters want to pay less than \$50 a month.

Among other survey findings:

1. Nine out of ten Americans are aware of a housing shortage in their own communities (two out of three report a "serious" shortage);

2. About one-fifth say they are doubling up because of lack of homes;

3. Forty-six and seven-tenths (a plurality) think the housing problem won't get straightened out until the Government takes a lot more action than it has.

Fortune asked: "Are you looking right now for some place else to live?" Those who answered "No" were asked, "Would you be looking if there were no housing shortage?" The replies:

	Percent
Looking for a place to live.....	19.0
Would be looking if no housing shortage.....	12.8

Total.....	31.8
Plan to stay in present home for time being.....	65.4
No answer.....	2.8

The 31.8 percent divided as follows, after further questioning:

	Percent
Want to buy house.....	7.6
Want to build house.....	7.0

Total.....	14.6
Want to rent house.....	6.3
Want to rent apartment.....	7.8
Undecided.....	3.1

Total..... 31.8

Of the 14.6 percent who want to buy or build, 45.8 percent named prices under \$6,000 as the maximum they would be willing to pay. Of the 6.3 percent who want to rent a house, 76.4 percent want to pay less than \$50 a month.

Fortune found 91.7 percent of the United States people aware of some housing shortage in their own communities—including 64.4 percent who termed it a serious shortage. While the national average for doubling up is 18.7 percent of all families, hardship caused by sharing living space is greater in lower-middle (23.2 percent) and poor (18.3 percent) income groups than in the rich or upper-middle brackets (about 12 percent each), Fortune reports.

The survey asked: "Do you see the present housing shortage as a problem that industry, if left pretty much alone, would be able to work out itself or as a problem that won't get straightened out until the Government does a lot more than it has?" The replies:

	Percent
Industry left pretty much alone.....	38.5
Government does a lot more.....	46.7
Don't know.....	14.8

Other questions disclosed that 81.3 percent of the people want rent ceilings maintained;

63.3 percent want ceiling prices kept on building materials; 75.6 percent want these materials channeled into the low-cost residential field by Government action; 48.1 percent (a plurality) want the Government to embark on a large-scale home-building program; 80 percent want Government loans to individuals for low- and medium-priced housing.

"These measures happen to be fairly close to recommendations announced by Housing Expediter Wilson W. Wyatt after this survey was finished," Fortune points out. "The people seem to be in a mood to put overwhelming political pressure behind legislation that would implement Mr. Wyatt's program."

Opinion was almost evenly divided on whether the housing shortage would be ended in a reasonable length of time: 40.3 percent thought it was likely; 46 percent unlikely; with the remaining 13.7 percent undecided.

"Contrary to a long-held popular assumption that lack of closet space is the chief complaint among United States householders," Fortune reports, "the survey finds that a great many more, over 20 percent, are dissatisfied with their heating and plumbing arrangements."

The question: "What are the two or three things about your present home you wish you or the person who built it had planned differently?" Some leading criticisms:

	Percent
Larger house, more rooms.....	16.1
Better heating systems.....	14.1
Better arrangement of rooms.....	12.1
Larger rooms.....	10.5
Additions and improvements (chiefly porch, basement).....	10.2
More closet space.....	8.7
More or better plumbing.....	7.3
Better kitchen facilities (cupboards, storage, etc.).....	6.7

Fortune also asked: "If there were nothing to keep you from living wherever you wanted to, in what kind of location would you choose to live?" The preferences:

	Percent
A large city.....	14.7
A small city.....	17.6
Small town close to a city.....	35.8
Small town distant from a city.....	3.5
Out in the country.....	26.0

"Nearly two-thirds of the people now in cities of over 100,000 would rather live almost anywhere else," Fortune discloses, "while over 70 percent of those living on farms want to stay. Except for farmers, who seem to be the least discontented group in the country, the United States people show a pronounced yearning for life in the suburbs."

Mr. MEAD. Mr. President, I read from an editorial which was published in the New York Herald Tribune of recent date, as follows:

In the veterans' opinion, even more than the whole Wyatt program is not enough. They were asked whether the Government should start right in and build on a large scale to sell and rent direct to veterans; more than half of them (58.8 percent) replied "Yes." In this they went beyond the Wagner-Ellender-Taft bill's resolutions, which stop with the proposal that the Government lend at low interest to local housing authorities for low-cost construction and slum clearance. The direct action was suggested in the Rabin bill, introduced last December in the House, however, and a revival of interest in such steps may be expected if there is protracted fiddling and consequently increased desperation.

Mr. President, I ask unanimous consent to have the editorial printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 21, 1946]

THE VETERANS ON HOUSING

The veterans have their say about the dearth of housing in a count of hands reported elsewhere in this newspaper today by Mr. Elmo Roper. Returned soldiers' responses toward various suggested solutions to their shelterless predicament—responses separated from others tallied in a cross-section survey of public opinion—constitute a loud demand from the ranks for action.

In the survey, made just before Mr. Wilson Wyatt's emergency program was announced, 87.5 percent of the veterans approved the Government's lending at low interest to people who wish to build their own medium-priced homes. About three-fourths (74.8 percent) were against removing ceiling-price controls on building materials. As to channeling building materials to low- and medium-bracket house construction even more (77.9 percent) said "Yes." And almost 9 out of 10 (89.3 percent) felt that rent ceilings should be kept a while longer.

The principles of those things are implicit in the Wyatt emergency program, which the House of Representatives stripped of vital provisions for ceiling prices on existing homes and premiums to promote a swift flow of building stuffs. But, in the veterans' opinion, even more than the whole Wyatt program is not enough. They were asked whether the Government should start right in and build on a large scale to sell and rent direct to veterans; more than half of them (58.8 percent) replied "Yes." In this they went beyond the Wagner-Ellender-Taft bill's solutions, which stop with the proposal that the Government lend at low interest to local housing authorities for low-cost construction and slum clearance. The direct action was suggested in the Rabin bill, introduced last December in the House, however, and a revival of interest in such steps may be expected if there is protracted fiddling and consequently increased desperation.

On almost every point the veterans stood by greater majorities than the general public for the remedial steps, though, significantly, a plurality of the latter, or a majority, favored the same measures. One-third of the public, in fact, supported compelling those who have unused rooms to rent them—and Mr. Roper persuasively surmises that the reason that only 35.6 percent of the veterans agreed to this is that they've already had enough "doubling up" to last a lifetime.

The survey is interesting as the first breakdown of public opinion by Mr. Roper as to veterans' and nonveterans' sentiment. It indicates that although the veterans have not formed themselves into huge pressure groups, they are thinking citizens, desirous of meaningful solutions of at least one existent domestic problem.

Mr. MEAD. I have here an item from a newspaper which quotes the Economic Stabilizer, Chester Bowles. The item is as follows:

BOWLES PREDICTS HOUSING REVOLT, IF—

Economic Stabilizer Chester Bowles predicted to the House Banking Committee today a far more drastic, more regimented housing program will be handed to Congress a year from now unless the Administration's pending legislation is enacted, saying that if it isn't approved, the people will be so up in arms a year from now that Congress will have to take more drastic action.

Mr. President, I do not want to have anyone assume that I have been guilty of exaggeration. I am making a general appeal for the expeditious enactment of the pending housing program.

Mr. President, I have here some letters which I have received from housing authorities, from mayors of cities and from others interested in the housing program

and those concerned with a correction of the existing situation or its expeditious improvement. I have a letter from Albert H. Schaaf, chairman of the Fort Wayne Housing Authority, who says:

The housing situation in Fort Wayne is very serious. It has been considerably aggravated by the requirements of the returning veterans. * * * At this time there are approximately 700 veteran applications on file for housing.

I have a letter from the chairman of the City Council of the City of Portland, Maine, who writes:

We have about 7,000 unemployed, predominantly veterans. Without the necessary industrial construction these will drift away and Portland may never recover.

Whatever may be the acute need in other parts of the country for shelter for veterans—in the Portland area our need is vital and immediate for construction material. Portland has negotiations for substantial increases in her industrial activity, if we can be assured sufficient allotment to this area. It is not too drastic to say that this is a critical situation where a few months may be decisive.

We ask your consideration of our problem and urge any relief your committee may be able to assure us.

Respectfully,

HELEN C. FROST,

Chairman of the City Council of the City of Portland, Maine.

Mr. President, I have a letter from the Hon. Walter Chandler, mayor of Memphis, Tenn., from whose letter I quote the following:

Now, we have need of at least 10,000 dwelling units.

Think of that, Mr. President. The city of Memphis, Tenn. has need of 10,000 dwelling units. When we think of that need, and then think of the other cities and communities in the United States which have a similar need, and try to add them together, we find the need to be appalling. I read again from the mayor's letter:

Now, we have need of at least 10,000 dwelling units, the majority of which are needed by war veterans.

Mr. President, I think we have a right to emphasize the fact that the war veteran is the one who is in the greatest need. He came home from the war when our existing dwelling units were filled, and naturally he is the one who is looking for a home to buy or to rent. Very naturally he will be found in many instances to be living doubled up with his kinfolk. I read further:

The majority of which are needed by war veterans and the remainder by war workers who are returning to Memphis from employment in war plants elsewhere throughout the country.

The mayor continues:

I would like to add that the only permanent solution will come when Congress passes S. 1592, known as the Wagner-Elender-Taft bill, which will remove the slums which breed crime, disease, and dissatisfaction wherever they exist.

Mr. President, I have here a letter from the mayor of the village of Hibbing, Minn. This letter is signed by Gerald M. Thomas, mayor. He explains the need of housing, and he says the village of Hibbing is seriously concerned regarding housing for our returning war veterans.

He urges the enactment of legislation to provide homes for the returning war veterans. Then he asks for information on the subject and concludes by saying:

Whatever information you may be able to furnish on this vital matter, or any information you may be in possession of as to where this information may be obtained, will be greatly appreciated.

From the city of Cedar Rapids I have a 3-page letter signed by F. K. Hahn, mayor. I read this comment:

A survey was made to determine how many persons would rent rooms or apartments to veterans. Exactly 118 rooms, 8 apartments and 2 houses were uncovered. Rentals were determined in advance and cleared through the housing committee office and the OPA area rent control director.

Our local Veterans' Service and Information Center furnished the veterans to fill the uncovered vacancies. That survey didn't even come close to filling our needs.

Then he goes on to say further:

The need, as we see it, is for houses costing about \$3,500.

Mr. President, without some aid on the part of the Federal Government it will not be possible to furnish houses that cost somewhere in the neighborhood of \$3,500. The mayor's letter continues:

The need, as we see it, is for houses costing about \$3,500. The majority of veterans are earning between \$130 and \$200 a month. The Veterans' Administration limits monthly payments on loans to veterans to 25 percent of the ex-GI's monthly income. That income is too low for an \$8,000 house, or even one at \$5,500.

The five veterans' organizations in the city organized a housing committee to work with the mayor's housing committee, and they are working on a project to purchase surplus RFC grain bins to be used as the basis for a house. The bins measure 14 by 24. The veterans' committee intends to buy 60 of these, put them on concrete blocks, sell them to the veterans and let them finish the house as his family expands. The basic house and lot can be sold to the veteran for about \$3,000.

These are our problems, and our partial solutions. Locally we are doing everything possible to get housing. We have had no help from the State government. The 80 trailers which we will receive from the FPHA will be filled the first day the project is opened.

I have before me a letter from the Housing Authority of the city of Richmond. Among other statements, I quote the following from the letter:

Twenty-five thousand veterans entered the service from this area, of which approximately 15,000 have been discharged. In the past 3 months, 600 applications have been received from families of veterans and servicemen of which 575 are unfilled. It is conservatively estimated that it will require 3,000 dwelling units to fill the present demand, and that a maximum of 1,500 will be provided by private financing during the next 12 months. This is rather an optimistic figure due to the fact that six to eight hundred is the maximum ever constructed by private financing prior to the war.

The housing conditions here are further complicated by the influx of 1,200 Veterans' Administration personnel recently transferred to this city. The large number of students entering the University of Richmond and the Medical College of Virginia are without adequate dormitory space.

The housing situation here is unquestionably critical. The builders are experiencing great difficulty in obtaining materials. Large scale industrial building is having its effect

on residential construction. We definitely feel that the local communities should participate in the cost of this temporary housing, and that this housing should be under very definite control and eliminated as soon as the private builder can meet the demand. The local people, including financiers, real estate and builders, are in full accord with this plan.

Sincerely yours,

T. L. COCKRELL,
Acting Executive Director.

Mr. President, prior to the introduction by me of legislation authorizing approximately \$250,000,000 for 100,000 additional temporary units, I introduced Senate bill 1770, to authorize the National Housing Administrator to provide housing for colleges and universities to accommodate student-veterans and their families. No action has been taken on this measure, in view of the subsequent legislation for the additional 100,000 units provided by Senate bill 1821. However, since Senate bill 1770 was introduced I have received letters from the presidents of colleges and universities throughout the country, from almost every State in the Union, stressing the serious housing shortage and heartily endorsing Senate bill 1770. In view of the fact that later legislation might provide sufficient housing to fill the needs of the colleges and universities I have not pressed for action on Senate bill 1770; but, Mr. President, I wish to offer for the RECORD at this time the letters and telegrams which I have received from college and university presidents throughout the country stressing the urgent necessity for speedy passage of legislation to provide housing for veterans who are attempting to secure educational benefits under the GI bill of rights.

The colleges and universities which are called upon to provide educational facilities, and education itself, to our returning veterans find it almost impossible to meet their share of the expense in the preparation of temporary housing sites to house the veterans, and in furnishing those sites with the utilities which are necessary. The universities and colleges of the country are called upon to provide—and I am told without any profit to them—the educational opportunities provided in the GI bill of rights. Further, they are called upon to increase their classroom capacity, their dormitory capacity, and their cafeteria capacity, and to provide all the necessary additional room and facilities that are necessary in the education of large groups of students. If in addition to that they must spend their own money to provide sites for temporary housing communities to house veterans, and if they must spend their own money to install the utilities necessary for such housing projects, the projects will of necessity be very limited. The accommodations will not be sufficient, because many of the schools and colleges are without funds to do the work. So, Mr. President, it may be necessary for us, in cooperation with the State governments, and even local governments, to aid the colleges and universities of America in providing all the facilities they need to meet the expansion required in order to provide the educational opportunities which we afforded the veterans in the GI bill of rights.

I have before me some very urgent and important letters from a number of colleges and universities. I shall not take the time to read them, Mr. President, but I shall ask permission to have them made a part of my remarks.

These letters come from the following institutions of learning: Southwestern Louisiana Institute, Lafayette, La.; Hamilton College, Clinton, N. Y.; John Tarleton Agricultural College, Stephenville, Tex.; Westminster Choir College, Princeton, N. J.; Central Michigan College, Mount Pleasant, Mich.; Horace Mann-Lincoln School, Teachers College, Columbia University, New York; Phillips University, Enid, Okla.; University of Texas, Austin, Tex.; Montana State University, Missoula, Mont.; Southern State Normal School, Springfield, S. Dak.; the University of the South, Sewanee, Tenn.; Roanoke College, Salem, Va.; Indiana University, Bloomington, Ind.; University of Toledo, Toledo, Ohio; Centre College of Kentucky, Danville, Ky.; Missouri Valley College, Marshall, Mo.; the University of Richmond, Richmond, Va.; George Peabody College for Teachers, Nashville, Tenn.; Bethany College, Bethany, W. Va.; North Dakota School of Forestry, Bottineau, N. Dak.; Rutgers University, New Brunswick, N. J.; Brevard College, Brevard, N. C.; Colorado College, Colorado Springs, Colo.; New York State Agricultural and Technical Institute, Canton, N. Y.; Ohio Wesleyan University, Delaware, Ohio; College of St. Thomas, St. Thomas Military Academy, St. Paul, Minn.; Florida Agricultural and Mechanical College, Tallahassee, Fla.; Albion College, Albion, Mich.; Lower Columbia Junior College, Longview, Wash.; Pomona College, Claremont, Calif.; Lehigh University, Bethlehem, Pa.; Sterling College, Sterling, Kans.; Central College, Fayette, Mo.; San Bernardino Valley Junior College, San Bernardino, Calif.

Mr. President, I ask unanimous consent that the letters to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SOUTHWESTERN LOUISIANA INSTITUTE,
Lafayette, La., February 20, 1946.
Senator JAMES MEAD:

Washington, D. C.

DEAR SENATOR MEAD: You have my sincere commendation for your very timely S. 1770 which has for its purpose to aid in providing housing for persons attending educational institutions in the pursuit of courses of training or education under title II of the Servicemen's Readjustment Act of 1944. I have already informed Senator ELLENDER, of Louisiana, of the desperate need which exists at this college and I am sure that you will receive the full support of the Louisiana delegation in this matter. This is one of the greatest problems which face the American people today and everything possible should be done to enable these young men to take advantage of the GI bill and to provide them with homes while doing so.

If there is any manner in which I may be of further service in this, please call upon me.

Very truly yours,

JOEL L. FLETCHER,
President.

HAMILTON COLLEGE,
Clinton, N. Y., February 14, 1946.
The Honorable JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Permit me to congratulate you on the amendment which you have proposed to provide housing for war veterans at our educational institutions. Every sign points to the fact that veterans in thousands will be turned away and denied their right to an education. Your action deserves the support of all our citizens and I trust that your praiseworthy efforts will shortly meet with success.

Our small college in all probability will be so crowded by next October that we shall have to turn away veterans for want of suitable housing. We should welcome additional accommodations in order to permit us to carry out our obligations toward war veterans and shall follow your efforts with the utmost interest.

With sincere regard, I am
Respectfully yours,

DAVID WORCESTER.

JOHN TARLETON AGRICULTURAL COLLEGE,
Stephenville, Tex., February 27, 1946.
Senator JAMES A. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MEAD: Our problem of finding housing for married veteran students, who desire to enroll in the John Tarleton Agricultural College, has been a most serious one.

Sometime ago we made application with the Federal Housing Authority, Fort Worth office, for what we thought would be adequate housing to take care of our needs. We have just recently been advised that our allotment of housing units will be only 25 percent of what our estimate had been.

This week we were in the Fort Worth office of the Federal Housing Authority making the necessary arrangements for the trailer units that they contemplate moving to the campus for the housing of married veteran students. At that time, I was advised by authorities in the office that no additional housing units can be made available unless additional funds are appropriated by Congress.

The bill which you have introduced should provide additional housing units for the colleges and universities. Therefore, I am writing to you at this time to acquaint you with our own problem which is probably indicative of similar problems existing in all other colleges and universities. In our opinion, the small allotment of trailers to this institution should at least be doubled, probably trebled, in order to meet the demands that will face the college to take care of the married veteran students.

I know you are sympathetic with the problem and that you are doing everything possible to secure approval of the bill that you are doing everything possible to secure approval of the bill that you introduced to the Senate. I wanted to take this opportunity of letting you know that our needs have not anywhere near been met with present legislation, and that additional funds will be needed if we are anywhere near to meet the problem.

Yours very truly,

E. J. HOWELL,
Dean.

WESTMINSTER CHOIR COLLEGE,
Princeton, N. J., March 2, 1946.
The Right Honorable Senator JAMES M. MEAD,
Senate of the United States,
Washington, D. C.

MY DEAR SENATOR MEAD: We, in Westminster Choir College, deeply appreciate your interest in veterans. Our college is a small institution, but next fall we must have hous-

ing for these men and do not know which way to turn. So we are appealing to you. Our only hope is what may be made possible through your amendment.

Sincerely yours,

J. F. WILLIAMSON.

MOUNT PLEASANT, MICH.,
February 16, 1946.

Senator JAMES M. MEAD,
Senate Building:

Subject: Bill S. 1770, extending authority of Federal Housing Agencies to meet acute housing shortage for college veterans through new construction.

Please be advised that housing shortage both for married and single veterans is extremely acute at Central Michigan College. One hundred family and 200 single units desperately needed. We strongly support passage of above mentioned bill. Our application for above number of units has been on file with FPHA office in Cleveland since January 7, and just turned down because of lack of funds on February 13.

CENTRAL MICHIGAN COLLEGE,
N. C. BOVEE, Business Manager.

HORACE MANN-LINCOLN SCHOOL,
TEACHERS COLLEGE, COLUMBIA UNIVERSITY,
New York, N. Y., March 16, 1946.
Hon. JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

DEAR SIR: The Government's emergency housing program for veterans as presented by Housing Expediter Wilson W. Wyatt, and its program to place ceilings on new and old housing should be regarded as "must" legislation by our Congress.

You are also urged to support the principles of the Patman bill (H. R. 4761) designed to curb inflationary prices of old and new homes. The prices of houses should be kept within the price range of our returning veterans.

Very truly yours,

T. EARL TILLEY,
Staff.

PHILLIPS UNIVERSITY,
Enid, Okla., February 21, 1946.
Senator JAMES M. MEAD,
Washington, D. C.

DEAR SENATOR MEAD: The housing situation, although eased momentarily, by the supply of 33 prefabricated housing units, is acute, in fact it is distressing here at Phillips University, located in Enid, Okla.

May I refer to Senate bill 1770 and urge you to lend your support to it and every other opportunity to supply immediately the houses necessary for these men.

Very sincerely yours,

EUGENE S. BRIGGS.

THE UNIVERSITY OF TEXAS,
Austin, February 21, 1946.
Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MEAD: We are in receipt of a copy of your proposed bill to provide housing for veterans attending educational institutions (S. 1770). Any measure such as you have proposed will assist in alleviating the serious housing shortage for veterans at this, as well as other, institutions. It certainly has our endorsement and we sincerely hope that the measure will receive speedy congressional approval.

The University of Texas has one of the largest, if not the largest, veteran enrollment of any school in the South, and we confidently expect to have around 4,000 veterans enrolled at the beginning of our new semester on March 1. The university has done everything it can to provide housing

for veterans by enlarging its own dormitory facilities and, in addition, has received several hundred family units under the terms of your earlier measure which appropriated \$190,000,000 for the purpose of moving available housing. The University of Texas has also purchased prefabricated units to take care of single veterans; however, with all of this there will likely be a serious shortage at the beginning of the March term, and if predictions come true, certainly in September there will be an even more serious shortage. Therefore, any help that can be given in providing living accommodations for both single and married veterans will indeed be appreciated by them and by this institution.

Sincerely yours,

THEOPHILUS S. PAINTER,
Acting President.

MONTANA STATE UNIVERSITY,
Missoula, February 19, 1946.

The Honorable JAMES M. MEAD,
United States Senate,
Washington, D. C.

DEAR SENATOR MEAD: On behalf of Montana State University, I want to endorse your effort to provide housing for veterans through new construction as set forth in S. 1770.

During the fall and winter, Montana State University has put forth every effort to secure living accommodations for veteran students. The people of Missoula have made a house-to-house canvass in an effort to unearth possible quarters in the city. We have secured some prefabricated houses, some trailer houses, and some housing units from FPHA, but our need is still critical if we are to provide accommodations for married veterans who plan to enroll here.

Sincerely yours,

JAMES A. MCCAIN,
President.

SOUTHERN STATE NORMAL SCHOOL,
Springfield, S. Dak., February 19, 1946.
Senator JAMES M. MEAD,
United States Senator,
Washington, D. C.

DEAR SIR: Everything possible should be done to secure housing for veterans. Indications are that this institution will soon have more single and married veterans than we can possibly house. We have recently made requests for temporary housing units and trailers but have been informed that the supply had been exhausted for educational institutions.

Sincerely yours,

J. HOWARD KRAMER,
President.

THE UNIVERSITY OF THE SOUTH,
Sevanee, Tenn., February 18, 1946.
The Honorable JAMES M. MEAD,
Washington, D. C.

DEAR SENATOR MEAD: For the University of the South and for myself I would like to write this word in behalf of the bill S. 1770 "to amend the act entitled 'An act to expedite the provision of housing in connection with the national defense, and for other purposes,' approved October 14, 1940, as amended to aid in providing housing for persons attending educational institutions in the pursuit of courses of training or education under title II of the Servicemen's Readjustment Act of 1944."

It is very necessary in my opinion that accommodations be provided for married veterans and for unmarried veterans at colleges and universities if the veterans are to enjoy the privileges and benefits of the educational provisions of the GI Bill. We have done the best we can to take care of married veterans but all accommodations now are filled. Next summer and next fall we will not be able to accommodate the unmarried or married veterans.

I hope very much that the bill which you have introduced or a similar bill will be passed by the Senate of the United States.

With best wishes, I am,

Cordially yours,

ALEXANDER GUERRY.

ROANOKE COLLEGE,
Salem, Va., February 18, 1946.
The Honorable JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: Through the courtesy of the American Council on Education, I have had the privilege of reading your bill, S. 1770.

Here at Roanoke College we have a real interest in your proposal since we are under the necessity of declining applications from veterans every day. Colleges like ours prefer permanent housing to temporary provisions which are not satisfactory. As you doubtless know, it is possible to construct first-rate modern dormitories on a self-liquidating basis. Prior to the war, it was possible to pay off the building costs or capital investment from rentals in not more than 25 years. The heavy increase in construction costs at the present time will make this technique impossible unless money can be had at an exceedingly reasonable rate of interest. I believe that if the Government would agree to finance buildings for college dormitory purposes at a rate not exceeding 2 percent per annum, many of our colleges would gladly avail themselves of the opportunity. This would make a cleaner deal than anything else that I can think of and would settle beforehand the relationship between the colleges and the Government at such time as the veteran's program has spent itself.

If you think well of it, I shall appreciate your filing this letter with the Senate Education and Labor Committee whenever hearings are undertaken.

Very truly yours,

CHAS. J. SMITH, President.

INDIANA UNIVERSITY,
Bloomington, Ind., February 16, 1946.
Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

DEAR SENATOR MEAD: I have looked over the statement before Congress by which you introduced Senate bill 1770. It was a fine presentation of the problem. For your information I am enclosing a copy of a letter which I am sending to Mr. Wyatt, Administrator, National Housing Agency. I trust that some early action can be taken on this matter so that we will not be forced to disappoint the veterans who wish to take advantage of the educational provisions of the Serviceman's Readjustment Act next fall.

Yours very truly,

H. B. WELLS,
President.

[Enclosure.]

FEBRUARY 16, 1946.

Mr. WILSON W. WYATT,
Administrator, National Housing Agency,
Washington, D. C.

MY DEAR MR. WYATT: Your regional office in Chicago has advised us by letter under date of February 12 that "it does not appear feasible to consider additional quotas for September 1946 need at the moment." They give as their reason the present drastic shortage of available units to meet programming requirements. The letter also indicated that recommendations you were making may provide additional resources at a later date. Indiana University appreciates very much the assistance it has received in the past in the housing of veterans. We do wish to point out however that unless funds are provided at an early date additional housing for September will not be ready. It would seem

that Senate bill 1770, introduced by Senator MEAD, would be very helpful in carrying out this obligation.

About December 1 Indiana University filed with Chicago regional office an estimate of needs for September 1946. Since that time we have found that our request was too conservative and, therefore, should be increased, because enrollment is greater than was anticipated and also, because permanent facilities that we had planned to have ready by that time cannot now be completed. It now appears that we will need 500 to 600 family units and 3,000 dormitory spaces for single men. I am attaching copy of a letter which I have recently received from the director of our office of veterans' affairs. I think it is a very good general statement of the present situation. If additional information would be helpful we would be glad to provide some. We trust that you will be successful in working out some early solution of this matter.

Yours very truly,

H. B. WELLS,
President.

UNIVERSITY OF TOLEDO,
Toledo, Ohio, February 16, 1946.

Hon. JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I have read with interest your release of January 28, and Senate bill 1770 having to do with permanent housing for veterans.

This institution now has 1,500 veterans enrolled. We expect perhaps 1,500 more by September if we can make room for them. We now have temporary housing for 32 veterans' families in extensible trailers and we have been awarded by the Cleveland office of the FHA 24 more units for married veterans and barracks type houses for 124 single veterans. These accommodations in addition to our permanent dormitories will be of great help to us but of course it is not anywhere near sufficient.

We are planning to build a new dormitory at a cost of about \$450,000. We would like to change the design of this building slightly and instead of making it just available for women students we would cut it up into two room apartments each with a kitchenette so that it could be used for a married veteran and his wife. This would add somewhat to the construction cost but the building would be built so that after this need is passed away in 4 or 5 years it could be changed at very little cost to housing single women. That is, it would become a regular women's dormitory and building for the center of other women activities at the University.

Would your bill make it possible for the Government to give us a grant of about \$200,000 to go ahead with this building? I think we could find the additional \$300,000 so that the building could be put up at once to fulfill the needs for veterans within perhaps 12 months from now. The University does not have funds to go ahead with the complete building and we would not be justified to make it available for the veterans where the need might be only for 3 or 4 years. The modest grant such as I have outlined, however, would make the whole project feasible and we could get started at once.

I have outlined this specific instance in which your bill would make available 45 suites or apartments for married veterans in a permanent building situated on our campus. We figure that the rent for each of these apartments could be brought down to not come than \$35 including all facilities except perhaps electricity.

Was it your intention that your bill should cover a case of this sort? If so, I should like very much to come to Washington to testify in favor of the bill when hearings are held. If the case that I have mentioned

would not come under the provisions of your bill, I should like to know just how the bill could be used to help in the permanent housing of veterans.

Thanking you for information on this subject, I am,

Yours very truly,

PHILIP C. NASH,
President.

CENTRE COLLEGE OF KENTUCKY,
Danville, Ky., February 15, 1946.

Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MEAD: Please accept our sincere thanks for all the assistance you have given in housing veterans, especially married veterans now studying in our universities. We sincerely hope that bill No. S. 1770 will be speedily approved.

It is exceedingly important that the machinery of providing houses should be speeded up. Many GI's just can't find a place to live now. Even when official notice has come that houses have been assigned it sometimes takes a month or 6 weeks before the contracts are signed and a start is made to erect the housing units. At this rate they may be ready for the sons of the veterans.

Another very difficult problem connected with the education of veterans under the GI bill of rights is that of housing the additional faculty members required to teach these men. Our own institution finds it necessary to increase its staff about 50 percent. So far we have not been able to discover a house or apartment for even one of these new members of our faculty. Without these professors it will be impossible for us to receive veterans so many of whom are applying. It is impossible to expect faculty members to join our staff without some place in which to live. Would it be possible for some provision to be made for these additional members of our staff? Could they be housed in the units provided for married veterans? Without houses for these faculty members there will be no need for houses for married veterans. What can be done about this?

Again thanking you for your interest in these important matters and with best regards, I am,

Yours cordially,

ROBERT J. McMULLEN,
President.

MISSOURI VALLEY COLLEGE,
Marshall, Mo., February 16, 1946.

Senator JAMES MEAD,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR MEAD: I am enclosing a copy of a letter which I have sent to Senator FORREST C. DONNELL in regard to S. 1770 housing bill for veterans and the housing situation here at Missouri Valley College in Marshall, Mo.

Sincerely,

J. RAY CABLE,
President.

FEBRUARY 16, 1946.

Senator FORREST C. DONNELL,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR DONNELL: I am writing you with reference to S. 1770 housing bill for veterans. Our own college (Missouri Valley) was not awarded housing under the Lanham Act. Our enrollment of veterans jumped this semester from 10 to over 80, including 18 married veterans. We were able to house most of them, but it was only by conversion of two dormitories into apartment units on a basis involving a good deal of expense and necessary future adjustment. A good many

more married veterans would have enrolled if housing had been available. All indications point to heavy demand for admission of veterans at midsemester, in June, and September. Almost no housing will be available. The college has authorized the conversion of the basement of the chapel into a veterans' dormitory. This will be expensive and not too satisfactory, but since we were awarded no housing units, it was necessary to make this provision, although funds for it will have to be provided by public subscription. There is almost no housing available in town. I am sending you this in order that you may have some information relative to conditions in Marshall. I am sending a copy of this letter to Senator JAMES MEAD (New York) and to Mr. Wilson W. Wyatt, Administrator National Housing Agency, Washington, D. C.

Sincerely,

J. RAY CABLE,
President.

THE UNIVERSITY OF RICHMOND,
Richmond, Va., February 15, 1946.

Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: I am writing in support of your bill S. 1770. The University of Richmond has already enrolled 850 veterans and is expecting a large increase in enrollment both for the summer session and for the winter session beginning next September. The Federal Housing authorities assure me that the appropriations already made are wholly inadequate to meet the needs of the colleges for the housing of veterans. We at this institution sincerely trust that the Congress may speedily pass your bill S. 1770.

Sincerely yours,

F. W. BOATWRIGHT,
President.

GEORGE PEABODY COLLEGE FOR TEACHERS,
Nashville, Tenn., February 15, 1946.

Senator JAMES M. MEAD,
Senate Building, Washington, D. C.

DEAR SENATOR MEAD: As president of George Peabody College for Teachers I feel that your proposed bill, S. 1770, if passed, will greatly relieve the housing situation for GI's who are begging for the opportunity to attend this college.

At the present time there are 240 veterans enrolled at Peabody—200 men and 40 women. Of this number 105 are married and several have one or two children each. Many of these married veterans live in single rooms in the dormitories or in private homes and have to go out for their meals. This arrangement is much more expensive than living in an apartment unit where they can reestablish normal family life and live on the \$90 a month allotted for GI married students.

We applied for 50 housing units through FPHA, under the amended Lanham Act, but have the approval of only 26, which are now in the process of construction. This number hardly begins to take care of our needs. It is painful for us to have to tell married GI's, almost daily, that their applications for enrollment cannot be approved because we are unable to find housing facilities for them. We are in immediate need of 75 additional one- and two-bedroom apartment units, well designed for housing married veteran students.

Under inadequate budgets made leaner by wartime conditions, we are unable to construct these needed housing facilities without financial aid from some source. Your bill would greatly relieve the critical situation with us. We hope it will pass at an early

date. If there is anything I can do to help out in the passage of the bill do not hesitate to call on me.

Sincerely yours,

HENRY H. HILL,
President.

BETHANY COLLEGE,
Bethany, W. Va., February 15, 1946.
The Honorable JAMES M. MEAD,
Senate Building, Washington, D. C.

DEAR SENATOR MEAD: We wish to express our endorsement of S. 1770, a bill to aid in providing housing for persons attending educational institutions under title II of the Servicemen's Readjustment Act of 1944.

Bethany College is a small liberal arts college established in 1840, fully accredited by the Association of American Universities and other accrediting agencies. The college has recently spent approximately \$60,000 to improve and increase our housing facilities for men.

In addition to this, we have made application to the FPHA at Cleveland, Ohio, for 100 dormitory accommodations and 25 family units. Under the Lanham bill, we are advised that we may receive housing facilities for 20 families or 40 individuals. Unless additional facilities can be provided, the college will not be able to render maximum service in connection with veterans' education. No additional housing is available in the Bethany community. Enrollment at the present time matches the housing capacity of the institution.

If housing can be provided, the college will be able to provide educational opportunities to an additional 100 to 150 men in September. Otherwise Bethany and other colleges will be unable to care for many additional veterans at that time.

We believe that the only way in which this housing can be provided is through a Federal program such as is authorized under S. 1770. We are in favor of the passing of this bill by the Congress at the earliest possible date.

Respectfully yours,

W. H. CRAMBLET,
President.

NORTH DAKOTA SCHOOL OF FORESTRY,
Bottineau, N. Dak., February 18, 1946.

Hon. JAMES M. MEAD,
United States Senate, Washington, D. C.

DEAR SIR: This is to urge the immediate passage of S. 1770 so that more housing will be available for veterans who desire to enroll in colleges next fall.

Recent estimates indicate that the smaller colleges of our Nation would be able to care for at least 400,000 more veterans if housing conditions permitted. It is necessary that this legislation be made effective as soon as possible because this housing, if it is to be most useful, must be ready for occupancy by September 1, 1946.

Let me point out that most of the smaller colleges operating on very limited budgets do not have teaching staffs of sufficient size to start full year classes at any time other than the beginning of the school year. Therefore veterans desiring to enroll are urged to enter at the beginning of the school year so that a full program of full-year subjects will be available. For this reason the smaller colleges find it absolutely necessary to have any housing projects completed by the 1st of September 1946 is they are to make use of them. Housing projects which are completed after that time will not be of the greatest possible use until September 1947. For this reason it is urged that immediate action be taken on S. 1770.

Our needs at the school of forestry can be met if we can secure 75 units for single students and 25 units for married students.

This is the amount for which we made application to FPHA, Chicago.

Sincerely yours,

C. N. NELSON,
President.

RUTGERS UNIVERSITY,
New Brunswick, N. J., February 19, 1946.
Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: We have been working earnestly here at Rutgers for some months regarding housing problems, particularly for married veterans who are students at this institution or who will enroll in the near future, and also for married veterans who are members of the staff of the university, or who will rejoin the staff in the near future, and we wish to express our appreciation to you for the effective and aggressive manner in which you have tackled this problem.

The bill bearing your name, appropriating approximately \$190,000,000 for housing servicemen and their families, is, indeed, splendid and the additional bill providing for an appropriation of some \$250,000,000 would be of great additional benefit in helping to solve these problems.

This institution, like others, is endeavoring to do everything possible to provide educational facilities, classrooms, laboratories, dining halls, and the like for these men and the great assistance under your program is most worthy.

Success to you in furthering the plans which you have in mind.

Sincerely yours,

A. S. JOHNSON,
Comptroller.

BREVARD COLLEGE,
Brevard, N. C., February 18, 1946.
Hon. JAMES M. MEAD,
United States Senate,
Washington, D. C.

DEAR SENATOR MEAD: I have before me a copy of S. 1770, a bill introduced by you January 28, 1946, to provide housing for veterans in colleges and universities.

The purpose of this letter is to indicate that there is a real emergency in this field. Brevard College has been able to provide housing accommodations for only about 30 percent of the veterans who are interested in attending this institution. Furthermore, efforts to obtain housing from the Federal Public Housing Authority have not resulted in relief. It seems perfectly evident that more housing will have to be provided from some source if veterans are to be adequately taken care of. I, therefore, strongly approve the bill which you are sponsoring.

Cordially yours,

EUGENE J. COLTRANE,
President of the College.

COLORADO COLLEGE,
Colorado Springs, Colo., February 27, 1946.
The Honorable JAMES M. MEAD,
United States Senate, Washington, D. C.

DEAR SENATOR MEAD: The pressure for admission to Colorado College is acute. In view of the need to care for the returning veterans to this campus, the housing situation is extremely critical. We do not see here in Colorado Springs any signs of lightening of the housing pressure within the near future.

The Federal Public Housing Authority has indicated it will provide additional units for married couples. This will ease the strain as far as married couples are concerned. However, we will urgently need units for at least 50 returning single veterans. Therefore, we are decidedly in favor of the passage of S. 1770.

Sincerely yours,

THURSTON J. DAVIES,
President.

NEW YORK STATE AGRICULTURAL
AND TECHNICAL INSTITUTE,
Canton, N. Y., February 18, 1946.
Senator JAMES M. MEAD,
Washington, D. C.

DEAR SENATOR MEAD: I wish to express my hearty support of bill S. 1770 which provides for housing for veterans in education. At this institute, we are already signing up many veterans for enrollment here this coming September, but at the present time there is not a single house available in the town. We must have housing for approximately 300 veterans provided by September 16.

This institute offers 2-year courses in agriculture, home economics, and industrial work, especially technical electricity. We also expect to offer courses in industrial chemistry, plumbing and heating, and mechanical drafting. We plan to give considerable work in dairy industry in addition to the usual courses in agriculture.

That students want to attend here is evident by the number of inquiries that are coming in every day and by the fact that we have close to 100 boys here now.

I sincerely hope that you succeed in having this legislation passed soon and that it can become a reality here in Canton within the next few months for if we do not have housing, we shall be compelled to turn away all the veterans.

Sincerely yours,

VAN C. WHITTEMORE,
Director.

OHIO WESLEYAN UNIVERSITY,
Delaware, Ohio, February 21, 1946.
The Honorable JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: I notice that you are definitely interested in trying to help solve one of the most difficult problems that we university people are confronted with, namely, housing for GI's.

Our situation here is this: We have 58 men at the present time who are knocking at our doors to enter school March 1 and we have every facility for them except housing. We will have between 200 and 300 such persons by September.

We have \$250,000 available for the building of a dormitory but, of course, it cannot be built at the present time, and then, too, the \$250,000 is worth only half of that any way.

Anything that can be done by the Congress to assist in this housing program to help solve this problem will be primarily a boon to the GI's, for we do not know what to do with these men. We do not have any facilities that will not be taxed to capacity. Every fraternity house will be filled. We hope to re-do our stadium to take care of 106 men. Every house in town that will open will be occupied and so it goes.

I sincerely hope that something will be done by the Congress at the earliest possible moment and I cannot emphasize too much the earliest possible moment.

Sincerely and cordially yours,

HERBERT J. BURGSTAHLER,
President.

COLLEGE OF ST. THOMAS,
ST. THOMAS MILITARY ACADEMY,
St. Paul, Minn., March 1, 1946.
Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

Mr. WILSON W. WYATT,
Administrator, National Housing Agency.
Mr. PHILIP M. KLUTZNICK,
Commissioner, Federal Public Housing
Authority.

GENTLEMEN: I have just read Senator MEAD's statement on the floor of the Senate on the bill (S. 1770) providing for new construction of housing for veterans pursuing courses of training or education under title

II of the Servicemen's Readjustment Act of 1944.

Please let me say that I agree heartily with the purposes of the bill and urge its immediate passage. Our institution has just been approved for a unit of 72 rooms to house unmarried men. We have applied for housing for married veterans, but are informed by FPHA that it is quite unlikely that any can be provided.

Under such circumstances, we have no choice but to refuse admission to married veterans who have no place to live. Such legislation as is proposed in S. 1770 is badly needed if the purposes of the GI bill are to be fulfilled.

Sincerely yours,

Very Rev. VINCENT J. FLYNN,
President, College of St. Thomas.

THE FLORIDA AGRICULTURAL
AND MECHANICAL COLLEGE,
Tallahassee, Fla., February 21, 1946.
Senator JAMES M. MEAD,
Senate Building, Washington, D. C.

DEAR SENATOR MEAD: It has been brought to our attention that bill S. 1770 will provide additional housing facilities for veterans who may be seeking training at our educational institutions, and we write to urge and request you to do everything possible in seeing that the bill is given favorable consideration by the Senate.

There is a definite emergency need facing our institution, as well as the others in our State, for improved facilities, and we would certainly appreciate anything that you may be able to do for us in this matter.

Respectfully yours,

WILLIAM H. GRAY, JR.

ALBION COLLEGE,
Albion, Mich., February 21, 1946.
Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: Since Albion College is faced with the shortage of housing for veterans of World War II, who are returning to complete their education or to begin with the freshman course, we urge you to give favorable consideration to Senate bill 1770. The great expansion in industrial activity in the city of Albion during the war caused a shortage of rooms in private homes. Men students returning from the service are finding the rooms occupied by men and women employed in local factories.

The Federal Public Housing Administration is relieving the shortage of rooms for single men to some extent by furnishing us with a dormitory that will house 50 men. By the opening of our fall term next September we are certain that there will be need for additional housing to care for 150 single men and 50 married students and their families.

The opportunities for veterans to obtain food at reasonable prices are limited in this city. We must, therefore, provide a dining room which will house boarding facilities for 300 men. It is evident that every college and university in America is making every effort to meet the present emergency which has risen out of our desire to give returning veterans every opportunity to obtain an education. Favorable consideration of Senate bill 1770 by your committee will mean more than can be described by words to the thousands of veterans and their families who are seeking education in the colleges and universities of America.

Sincerely yours,

PAUL R. TRAUTMAN,
Business Manager.

LOWER COLUMBIA JUNIOR COLLEGE,
Longview, Wash., February 19, 1946.
Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

DEAR SIR: S. 1770 has come to our attention and we are very much interested. Vet-

erans are finding it impossible to attend colleges and universities because of the housing shortage. The passage of such a bill would make it possible for veterans to take advantage of the GI bill.

At Lower Columbia Junior College we need 50 units for married veterans and accommodations for 75 unmarried veterans.

Anything that can be done to make housing possible will be appreciated both by colleges and veterans.

Yours very truly,

T. D. SCHINDLER,
President.

POMONA COLLEGE,
Claremont, Calif., February 20, 1946.
Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MEAD: I have read with much interest your bill, S. 1770, which proposes to extend the authority of the Federal housing agencies to include new construction to relieve the acute housing shortage for veterans in colleges and universities. I am in thorough accord with this proposal and hope very much that the bill may be passed.

Sincerely yours,

E. WILSON LYON,
President.

LEHIGH UNIVERSITY,
Bethlehem, Pa., March 5, 1946.
The Honorable JAMES M. MEAD,
Washington, D. C.

DEAR SENATOR MEAD: This letter is written with reference to the bill introduced by you on January 28, 1946, S. 1770, proposing new construction to supplement other efforts now being made to provide housing for veterans attending higher institutions under the Servicemen's Readjustment Act.

It is the hope of many who are concerned with veterans and their education that the Congress will extend every reasonable and possible aid toward early relief of the housing situation, especially in connection with married veterans, in colleges and universities.

Lehigh University has been certified by FHA as having critical need for 100 family housing accommodations, and application for such housing is now before FPHA. Situated in Bethlehem, Pa., in which the overall situation is such that FPHA has recently allocated an additional 120 units of family housing to the city, the university has other moves under serious consideration. Of 1,500 to 1,600 students enrolled for this coming semester, 75 percent will be veterans. We have overloaded the dormitories and are setting up temporary cots in the gymnasium. We are attempting to buy certain properties to be converted to apartments for married veterans. We have appealed, by advertisement and letter, to the townspeople to open up their homes. All of our efforts have met with some success, but a critical shortage in housing still faces us, and will become worse, as more of our veterans return during the year. The need, present and prospective, is still not met nor approximated.

The housing shortage is national in scope, but with the GI bill in effect the colleges and universities have become points of severe intensification of the widespread difficulties. The problem presented by great numbers of married veterans, with families and normal increases therein to be expected, is one which is completely outside the general experience or normal function of higher institutions at the undergraduate level. Coping with such a problem, with time of the essence, is likewise simply beyond the resources of the typical college and its community.

Our Nation was able to implement its wartime purposes with overwhelming success; now, expressed in the GI bill, the education of veterans is an important peacetime purpose whose achievement depends on similar swift and purposeful marshaling of re-

sources which are available or can be made available. The problem is over-all; it requires over-all action in at least some measure.

In this matter, now, or soon, either (i) the Nation makes it effectively possible for thousands of veterans to advance educationally or (ii) the GI bill becomes and will remain, for many men, in retrospect, a tragic mockery.

Lehigh University and the hundreds of veterans we want, but are unable to accommodate, urge you to support Senate bill 1770 and other appropriate legislation.

Yours very truly,

E. K. SMILEY,
Vice President.

STERLING COLLEGE,
Sterling, Kans., March 5, 1946.
The Honorable JAMES M. MEAD,
The Senate, Washington, D. C.

DEAR SENATOR MEAD: I have a copy of your bill to expedite the housing situation for veterans in college, and I am quite interested in it. However, I should like to call your attention to one phase of this situation which seems to have been overlooked.

So far, the Government's cooperation in providing housing in the form of trailers, housing units, etc., has taken into account only the large colleges and universities, while many of the small colleges in America would be just as desirable, and, in some cases, more so, but they, too, are located in places where the housing situation is serious. Whatever is done, it seems to me, should be done to include all institutions, whether their needs be large or small.

If I had some way to take care of 8 or 10 families here, it would be a great convenience to these men and a help to a college which has been doing a fine piece of work. I know of many other such institutions in the United States. Of course, what is done should be planned rather promptly, because these men are eager to get into school, some of them for the summer term, and certainly not later than September.

I shall watch the progress of this matter very closely.

Thank you for your efforts to alleviate these difficulties.

Very sincerely,

H. A. KELSEY.

CENTRAL COLLEGE,
Fayette, Mo., March 7, 1946.
Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MEAD: I certainly am for the amendment which you propose—S. 1770.

There is a matter which I think should be taken into consideration with it and that is housing for the faculty members to teach the increased number of veterans on campuses of colleges and universities.

With kindest regards, I am,

Sincerely yours,

HARRY S. DEVORE,

SAN BERNARDINO VALLEY JUNIOR COLLEGE,
San Bernardino, Calif., February 19, 1946.
Hon. JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: Notice from the American Council on Education indicates that you have introduced Senate bill No. 1770 as a means of providing funds whereby the Federal Government can increase housing facilities for veterans in educational and training institutions. The San Bernardino Valley Junior College is very much interested in the passage of such legislation, and it is very much in need of housing facilities for veterans returning from service who desire to continue their education.

The student population of the college has increase 100 percent within the college year. We have now about 165 veterans enrolled.

At the opening of the fall term in 1946, we anticipate that the number will be probably in excess of 500. The number registered during the fall term will depend upon housing facilities, because there are at the present time no housing facilities to take care of either married or unmarried veterans who desire to attend this institution.

The San Bernardino Valley Junior College has no funds with which to construct housing facilities for veterans. Because we are a free public institution, supported by local and State taxes, it will be impossible for us to raise the necessary funds to build housing facilities for veterans without Federal aid. We have the space on our campus where housing facilities could be located and are willing to cooperate with the Federal Government in providing these living accommodations if money for such purposes were made available through Senate bill No. 1770.

This letter is written as a note of endorsement to the action you have taken in presenting the bill. Any help that can be given to colleges and universities in the country for the purpose of providing housing facilities for veterans and their families will mean much in the development of the whole program of veterans' rehabilitation throughout America.

Most sincerely yours,

JOHN L. LOUNSBURY,
President.

Mr. MEAD. Mr. President, the plight of the colleges and universities, some of which are mentioned in these communications, should recommend itself to the immediate attention of the Congress. As I stated a moment ago, we are calling upon them to accommodate the hundreds of thousands of veterans for whom we provided in the GI bill of rights, but unfortunately at that time we failed to make provision for the physical necessities, the expansion of classrooms and of college buildings, and the provision of adequate housing. I doubt very much whether we touched that subject to any marked degree in the temporary legislation which we have heretofore passed, and I doubt very much whether we can remedy that condition as it affects our colleges and universities in the pending legislative program. It may be necessary, and I believe it will be necessary, to consider the legislation which I have mentioned, Senate bill 1770, in order that we may come to the aid of the colleges and universities so that they can actually and physically accommodate the students who have been provided for in the GI bill of rights.

I trust, Mr. President, that Congress will enact these pending bills expeditiously, and then will proceed to a consideration of the question which is raised in these communications, namely, the necessity for assisting the colleges and universities of the country in order that they may adequately take care of the veterans as provided for in the GI bill of rights.

Mr. CAPEHART obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. CAPEHART. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Mahoney
Austin	Hart	Overton
Ball	Hatch	Pepper
Bankhead	Hawkes	Radcliffe
Barkley	Hayden	Reed
Bilbo	Hickenlooper	Revercomb
Brewster	Hoey	Robertson
Bridges	Johnson, Colo.	Saltonstall
Brooks	Johnston, S. C.	Shipstead
Buck	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Taft
Capper	McCarran	Taylor
Carville	McClellan	Thomas, Okla.
Connally	McFarland	Thomas, Utah
Cordon	McKellar	Tunnell
Donnell	McMahon	Vandenberg
Downey	Maybank	Wagner
Ellender	Mead	Wheeler
Ferguson	Millikin	Wherry
Fulbright	Mitchell	Wiley
Gerry	Murdock	Willis
Gossett	Murray	Wilson
Green	Myers	Young
Guffey	O'Daniel	

The **PRESIDING OFFICER**. Seventy-seven Senators have answered to their names. A quorum is present.

Mr. **CAPEHART**. Mr. President, I send to the desk an amendment to House bill 4761 which I submit and ask to have stated.

The **PRESIDING OFFICER**. The amendment will be stated.

The **LEGISLATIVE CLERK**. On page 40, beginning with line 17, it is proposed to strike out all down to and including line 13 on page 42.

On page 42, in line 14, it is proposed to strike out "Sec. 13", and insert "Sec. 12."

Mr. **CAPEHART**. Mr. President, the purpose of the amendment is to eliminate entirely the provision that the Government shall guarantee to any manufacturer a market for a portion of the houses which he may be unable to sell. I believe that the wording of that section of the bill itself proves the wisdom of my amendment. I shall read paragraph (4) on page 42:

Emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business.

There must have been some fear in the minds of those who drafted this measure that it might result in the very things they mention in that paragraph.

On the same page paragraph 5 provides that—

New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

Mr. President, if such houses are to be tested for sound quality, durability, livability, and safety, after the houses are found to meet those tests why should the Government guarantee the manufacturer a market for them? Furthermore, who knows whether after it is found that the houses meet the prescribed qualifications, it will be possible to say with correctness that they are livable, durable, and safe?

Therefore, Mr. President, I say that if houses meet all those requirements, it certainly is not necessary to guarantee the manufacturer a market for them, because under present conditions there is a great demand for houses and a great shortage of houses in the United States. In view of the demand and the shortage, if the houses built under this measure

meet the requirements I have just stated, why should the Government be so foolish as to guarantee a market for them?

Then we find paragraph (6) on the same page which provides:

(6) Any underwriting or guaranty shall require adequate showing by the producer that he has sufficient working capital and experience, and that he can achieve the desired production on time under conditions satisfactory to the Housing Expediter.

If a manufacturer meets those requirements, and if he is well financed and is going to build a good house, why should the Government guarantee that he will be able to sell it?

There is nothing new about prefabricated houses. That type of construction has been followed for approximately 20 years. The manufacturing of prefabricated houses is a proven industry. The manufacturers of new material and the manufacturers of prefabricated houses will be guaranteed, under the terms of this bill, through the priority system, through the authority given the Housing Expediter, through an allocation system, materials for the purpose of building all the houses which they have the capacity to build. Indirectly, they will obtain benefits as a result of subsidies, should the provision pertaining to subsidies remain in the bill.

Therefore, Mr. President, I can see no reason in the world why the Congress should guarantee to any manufacturer that the Government will purchase a part of his product in the event that he cannot dispose of it. There is no more reason for guaranteeing to the manufacturer of prefabricated houses that he will be in position to dispose of his products, than there is for guaranteeing similarly with reference to the manufacturer or builder of the conventional type of house. Such a guaranty would establish a bad precedent in America. It would not insure the construction of even one additional home. If our Government, in guaranteeing to new manufacturers in the building of prefabricated materials, is to establish a precedent of that kind, it is possible that the manufacturers may be encouraged to manufacture inferior materials, and within 2 or 3 years it might be found that the United States Senate had been responsible, indirectly, for having provided the veterans of America thousands and thousands of houses of an inferior quality. In that event we would have done the veteran a grave injustice.

Mr. President, I ask for the yeas and nays on the adoption of the amendment.

The **PRESIDENT** pro tempore. Is the request sufficiently seconded?

The yeas and nays were ordered.

Mr. **BARKLEY**. Mr. President, before we vote, I wish to address the Senate with reference to the amendment.

The same objection, in substance, which is now being urged with reference to the guaranty was made when we passed the Federal Housing Authority to insure loans made on homes. Objection was made at that time on the ground that the Government would be involved in tremendous losses by reason of the insurance of the loans. As a matter of fact, there has not only been no loss on

the part of the Government but actually a profit by reason of the insurance of loans under the Federal Housing Authority.

The object of this guaranty, Mr. President, is to induce persons to enter into the construction of new materials and prefabricated houses which are to be subjected to a severe test. The word "fabricated" denotes no inferiority of quality. It merely indicates that a house may be constructed more rapidly by being built in sections at a factory or a plant and shipped to the place where it is to be erected, thereby facilitating speed and obtaining a house which is just as durable, just as practical, and just as convenient as if it had been erected brick by brick, plank by plank, and nail by nail.

The provision which the Senator from Indiana seeks to eliminate from the bill provides all the safeguards which are necessary for the protection of the Government. The Expediter is to see to it that not more than 5 percent of the total value of the houses guaranteed shall be involved, so far as the Government is concerned, and that at no time may there be a guaranty outstanding on more than 200,000 houses. Such a provision is necessary in order to obtain as quickly as possible the largest number of houses for the use of veterans during the emergency which now exists. While some risk is always involved, no risk is involved which is not justified by the existing need. While it is true there has been, in a sense, an industry engaged in the manufacturing of prefabricated houses during the period of approximately the past 20 years, the industry has not expanded as rapidly as it possibly could have expanded, nor as rapidly as the present emergency demands. In order to afford some assurance that there will be a market for the sale of houses built by those who otherwise might not feel justified in building them on a large scale, the committee has felt that the risk of loss which may be involved is not in any way comparable to the need which exists for such houses, and that in the long run no losses will be involved on the part of the Government.

I sincerely hope that the Senate will not eliminate the provision in the bill relating to the program of obtaining houses as soon as possible for use by the millions of veterans who, with their families, desire and need housing facilities.

Mr. **LANGER**. Mr. President, I should like to propound a question to the Senator from Kentucky.

The **PRESIDENT** pro tempore. Does the Senator from Indiana yield to the Senator from North Dakota?

Mr. **CAPEHART**. I yield.

Mr. **LANGER**. If the guaranty to which reference has been made is to apply to 200,000 houses, why should it not apply to all the houses which may be constructed?

Mr. **BARKLEY**. The theory back of the limitation to 200,000 houses is that the plan calls for constructing 350,000 prefabricated houses during a 2-year period of time. Those houses will be sold. There will be a constant turn-over in connection with the buying and selling of those houses. The committee feels, and I personally feel, that there will be

no need at one time for extending the guaranty to more than 200,000 houses, because as they are sold the necessity for the guaranty will be gradually eliminated. Even in those cases in which it will be necessary for the Government to take over the houses, the Government in turn will sell them and there will be no occasion for guaranteeing the sale of all the 850,000 houses, because they will be sold. But assurance is to be given that there will be a market for the houses if the veterans do not take them. I believe that they will take them. However, there is no need of a guaranty at any one time with relation to more than 200,000 houses.

Mr. CAPEHART. Mr. President, I may say that the manufacturers in America of prefabricated houses are opposed to the guaranties.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BARKLEY. If the Senator has read yesterday's RECORD, he has seen on page 3359 thereof the statement which was published on Sunday in the newspapers by the Prefabricated Home Manufacturers Institute endorsing the provision of the bill about which we have been discussing. The Institute had opposed the provision because it was afraid that the provision might give rise to the construction of a cheap type of dwelling which might in some way damage the prefabricated house industry. However, after receiving assurance from the Expediter that he had no purpose to cheapen the quality of the houses which will be constructed, and that their quality would be equal to the quality of other houses, the institute not only withdrew its objection but issued a statement in which it endorsed the proposal.

Mr. CAPEHART. Mr. President, there is or there is not a shortage of homes in America. If there is a shortage, and if there is a tremendous market for homes in America, there is absolutely no sense in the Government guaranteeing to any manufacturer that he will be able to sell his houses.

I again express the hope that the Senate will adopt the amendment.

Mr. MITCHELL. Mr. President, I rise in opposition to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. I think the guaranty of a market for new materials, and of new methods of construction, is the vital part of the housing program.

Mr. President, the veterans' emergency housing program, as described in detail by Mr. Wyatt before the Senate Banking and Currency Committee, calls for the building of 850,000 prefabricated homes by the end of 1947. This represents almost one-third of the 2,700,000 homes which the program aims to get built in the same period.

Mr. Wyatt realizes, as we all must realize, that we are confronted with a condition, and not a theory. Veterans must have houses quickly, in sufficient quantities and at moderate prices. No amount of theorizing will dispel the need, and no stone can be left unturned in order to satisfy it. The large role assigned to prefabrication in the emergency program arises not from any particular predilection for this type of hous-

ing, but from the inescapable fact that customary methods of house building cannot alone satisfy the need or get the job done.

The whole country, not Mr. Wyatt alone, is rapidly becoming aware that houses in the volume required, and at a cost adapted to the veteran's pocket-book, cannot be produced exclusively by traditional methods. Engineers, technicians, and builders throughout the land are putting science to work on the housing problem. Every day new ideas are bearing fruit in cost-saving materials and methods.

Fortune magazine, which devotes its entire issue of April 1946 to housing, states editorially that "Public impatience with the archaic state of the house-building business and the traditional excuses offered for it is growing effective." In its opening paragraph, the Fortune editorial says:

Fourteen years ago this magazine observed that the mass production of houses was perhaps the greatest single opportunity of the age. A lot has happened in housing since 1932 and what was then an opportunity of large but somewhat distant promise is now taking shape. In 1946 the man who wants to mass-produce houses can draw on a national surplus of industrial plants, which is a legacy of the war; new materials and new production techniques, many of them developed during the war; and cheap and plentiful investment capital. Most important of all, he can sell his product in a market that is desperately eager for anything with roof, walls, and plumbing.

To cite but one more of numerous public expressions on this matter, I quote from an editorial on housing in the Washington Post of March 28, 1946:

Hope for achievement of the ambitious housing goal that has been laid down by Expediter Wilson Wyatt depends in considerable measure upon the development and use of new methods and materials. If we had to rely entirely upon the old-fashioned method of putting up a house brick by brick and board by board, the acute shortage of living quarters throughout the land might not be overcome in a decade. But invention and mass-production methods are playing a constantly larger part in housing, and one of Mr. Wyatt's foremost aims is to stimulate this tendency. * * * Home building in America has in the past lagged strangely behind most of our other major industries. It is still in the "horse and buggy" stage, and we are going to find it extremely difficult to provide decent homes for all our people until the full play of American inventive genius and mass production are applied to the construction of living quarters. Especially in this period of critical shortages the public will be inclined to applaud every effort to bring new materials and factories to the service of families who are overcrowded or homeless.

The reference in the Post editorial to Mr. Wyatt's program as ambitious is true only in the sense that the building industry will have to produce at a rate never before achieved. The goal is not ambitious in terms of existing need. It is a bare minimum. If all the houses called for in the veterans' emergency housing program are built by the end of 1947, there will still remain 4,000,000 families living doubled up.

In considering the pending housing legislation, let us bear in mind that more houses must be built this year than were constructed in the peak year of the home-

building industry, 1925. In 1947 the volume must be 50 percent greater than the all-time peak. To satisfy the minimum of veterans' housing needs, the building performance of the entire decade of the 1930's will have to be exceeded in the next 2 years.

Mass production of housing is essential not only for speed, but for cost-saving opportunities. Fabrication of houses at the site and in the factory will effect the economies necessary to put new housing within the reach of veterans. The cost of the structural shell of the average house has been estimated at 60 percent of total cost. The greater savings, therefore, can be made by reducing the capital costs of housing. Improved techniques and new materials provide the answer.

The answer will not come ready-made. An intensive program of housing research must be conducted to put mass production of housing on a par with other modern industrial processes. As the Fortune editorial points out:

The industrialization of the house is more than a matter of mass production. It is also a matter of engineering, technique, and materials. The present prefabricators basically are building conventional houses indoors, or manufacturing their larger parts for assembly outdoors. The industrialized house will have to be an entirely new house, the product of new design and new engineering. Here are openings for a spectacular increase in the amount of housing value the dollar can buy.

Producers can undertake to fabricate houses on a large scale only if a mechanism is established for ready and systematic distribution to consumers. The Government proposes, in the legislation before us, to offer a guaranteed market.

Mr. Wyatt has given his assurance that rigorous standards will be adhered to in offering Government guaranties for prefabricated houses and new-type materials, and these standards are written into the bill. In summary: First, prefabricated houses and new-type materials will be encouraged only to supplement and not to supplant conventional housing; second, the Government will get full return for its financial outlay or, alternatively, experience a lower net cost than is entailed by any other available method of achieving the necessary expansion of housing; third, the guaranties will be of temporary duration; fourth, emphasis will be placed on avoiding economic dislocations or adverse effects on established business; fifth, prefabricated houses and new-type materials must meet sound and tested quality standards; sixth, the producer must demonstrate his financial and technical ability to achieve the desired production.

These standards meet all the objections of the opponents of the housing program. If anything, the standards are too limiting. They show timidity and caution where boldness and daring are needed. I would say they reveal an over-scrupulous concern for vested interests that are trying to hold back housing production. I say that no such interest should be permitted to stand in the way of housing so desperately needed by our veterans.

It is important to understand the nature of the campaign that is on foot to discredit the prefabrication part of the

housing program. In part, this stems from the usual resistance to scientific change and technical progress. Advancing industrial technology to meet changing needs of society always encounters some opposition.

But this campaign is most violently encouraged by a small group of speculators who hope to profit from an enduring scarcity of houses. They fear that houses produced in volume will reduce costs and squeeze the water out of inflated real-estate values. They are falling all over themselves in their anxiety to reap windfall profits while discrediting the housing program and causing confusion in the public mind by all sorts of derogatory slogans. Their arguments when put side by side do not make much sense. This is to be expected when the object is confusion rather than clarification.

If we hearken to their strident demands and fail to pass the pending bill as amended by the Senate Banking and Currency Committee, we will regret the day that sanctioned a betrayal of our veterans. And the opponents of veterans' housing will regret it likewise, for failure to act now will prompt the veterans to demand that the Government go into the housing business directly. Public-opinion polls show striking evidence of this sentiment on the part of veterans. I say let private enterprise do the job with the help and encouragement of the Government. If we ignore the tremendous support of the American people for the full Wyatt program, we will be asking for something far worse.

Mr. TAFT. Mr. President, in the first place, I think the Wyatt program for 650,000 prefabricated houses in 1947 is out of all reasonable proportion. The million and a half houses he seeks to have constructed is, I think, a reasonable goal, difficult to attain, but I think attainable. But a program of 650,000 prefabricated houses, when they never have been manufactured in quantities of, let us say, more than 50,000 a year, is certainly highly experimental. I do not think it is sound. It is all very well to say that the Government is not interfering, but the Government is interfering. It must take materials for prefabricated houses from the builders of conventional-type houses.

There is no evidence whatever that prefabricated houses are cheaper than conventional houses. There is no claim that they are cheaper. I talked to the largest manufacturer of prefabricated houses at Christmas time, and his claim was that his houses were better. The Dymaxion house, which have been pictured here, in which different materials are used, will cost, on a very high production basis, \$5,000 at the factory, which means that it will cost the veteran probably \$6,500 to \$7,000 when it is finally completed. They are no cheaper than conventional-type houses.

The guaranty called for puts the Government into the business of making prefabricated houses in competition with the ordinary conventional method of building houses.

I am in favor of encouraging the building industry, and without any legislation the RFC can finance them, can finance

their building, can give them every help, and therefore I can see that if they can build a house the people want, they will have no difficulty in selling it without a guaranty. The only thing that is going to prevent their selling their houses, the only thing that is going to throw them back on the Government's hands, is the fact that people will not buy them, that they are not making the houses attractive to the people who want to live in the houses. If they can make a house that is attractive, then the house can be sold by them without any Government guaranty.

Mr. CORDON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Oregon?

Mr. TAFT. I yield.

Mr. CORDON. There is one matter which has been troubling me, and that is the prefabricated houses and the President's proposal to guarantee them. Assuming there be no guaranty, is it the Senator's understanding that the provision giving the Expediter authority to make premium payments would apply to prefabricated houses?

Mr. TAFT. Not to the houses as a whole. I think it might apply to some of the materials the prefabricator handles and probably processes in the steps leading up to the construction of the houses.

Mr. CORDON. I note on page 39 of the bill the use of the words: "The value of the units of production to which premium payments are applied." I wonder if the Senator feels that the term "units of production" might be broad enough to include the units of production in a prefabricated house, which would be all the materials, sized, measured, and ready to go into the house when it is erected?

Mr. TAFT. If the Senator wishes to go back to the premium payments, at the top of page 39 they are confined to "materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being." The Housing Expediter must find that premium payments are "temporarily necessary to increase the supply of materials for the veterans' emergency housing program" and for other purposes.

I do not think the word "materials" is defined. I saw a definition of it once, but I could not find it anywhere in the bill, so I think we would have to define the word "materials" ourselves, and I do not think it would include prefabricated houses.

Mr. CORDON. Does the Senator believe that prefabricated materials, with the additional work and labor necessary to prepare them, might be included?

Mr. TAFT. If a prefabricated material manufacturer found a shortage of certain classes of materials, premium payments could be applied to them. If he himself were making some of those materials the payments could be applied to his manufacture of those materials. But I do not think they could be applied to the whole house under present conditions.

Mr. President, I have already expressed my opinion. I think also in this field, as in the other fields, there is an abso-

lute discretion. The Government can decide "We like this housing manufacturer. We will guarantee him. Here is another one we do not like, and we will not guarantee him." I do not think the judgment of the Government as to what kind of houses American veterans and other citizens want to buy is of any real validity. It is hard for anyone to tell, but certainly a prefabricator himself ought to satisfy himself and ought to make a house that can be sold. That should not be decided by the Government. In effect in this part of the program, and only in this part of the program, the Government is telling the people of this country what kind of housing they will have to live in, because the Government is diverting the scarce materials to the manufacturer of particular kinds of houses which the Government says ought to be manufactured, and when they are manufactured, of course they are going to be sold somewhere. The Government may have to take them over, but if the Government takes them over at \$5,000 the Government can probably sell them for two or three thousand dollars anyway, even if they are not marketable at their cost price.

So it seems to me that here the Government is stepping into the whole housing program and telling the people just what they will have to live in, as the Government is not doing under any other part of the bill. The other provisions of the bill are concerned only with the stimulation of the production of building materials for every kind of houses, prefabricated, conventional, temporary—every other kind covered by the program.

Mr. President, I myself feel that the bill would be much sounder if there were no such guaranty provisions for prefabricated houses.

Mr. OVERTON. Mr. President, I have not been able to attend the sessions throughout the debate on this phase of the bill. I do not know whether the thought which I am about to utter has been given expression to or not, but I think it is worthy of some consideration. The business of prefabricating houses will be concentrated necessarily in a comparatively few large concerns to the exclusion of men locally engaged in industry. It will deprive of employment the carpenter and the bricklayer, the retail lumberyard, and all those activities which locally supply labor for the construction of homes, and which represent the traditional American way of building American homes.

I am opposed to this phase of the bill. I think it is bad legislation, and I shall vote for the amendment to strike it from the bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. Does the Senator from Louisiana realize that the American Federation of Labor, which contains within its membership practically all the building trades of the United States, has endorsed this legislation in its entirety?

Mr. OVERTON. Any endorsement by the American Federation of Labor has absolutely no influence on me.

Mr. BARKLEY. But the American Federation of Labor—

Mr. OVERTON. I care not what they may have done.

Mr. BARKLEY. The American Federation of Labor is supposed to be interested in the welfare of the carpenters and bricklayers who are the object of the Senator's solicitude in this regard.

Mr. OVERTON. The trouble is, Mr. President, that the Members of the Senate and the Members of the House have constantly to subordinate their views, as representatives of the American people, to the CIO and the A. F. of L. I for one am tired of it. I shall vote independently of either organization.

Mr. BARKLEY. I merely thought the Senator would be interested in the attitude of a national organization which has in its membership the very workers to whom he referred and for whose interests the organization would be supposed to have some regard.

Mr. OVERTON. Let me ask the able Senator a question. Does he not think that prefabrication of houses will be controlled by a few large concerns to the exclusion of the local retail dealer and the bricklayer and the carpenter?

Mr. BARKLEY. No, I do not think so. I think that one of the reasons for this guaranty is to encourage people, some of whom have never been engaged in that business, to go into the manufacture of prefabricated houses. When we consider the welfare of the veteran, for whose benefit this legislation is designed, we must weigh his benefit and the benefit to his family in finding a home in which to live, against any interest, local or national, that might wish to build houses nail by nail and plank by plank. It is only a temporary measure in order to meet an immediate need.

Mr. OVERTON. I am for taking care of the veterans. I shall support this bill to the extent that it is necessary to build houses for the veterans. I think they ought to be supplied with houses and with loans. But if we strike out the \$600,000,000 for premium payments and the provisions in regard to prefabricated houses we will have a good, workable bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. OVERTON. Not just now. I shall yield in a moment. We will construct homes for the veterans. I have gone into that matter twice during this debate and undertaken to show that if we leave out the incentive payments, or subsidy payments, and leave out the provisions having to do with the prefabrication of houses, we will still have a splendid, workable bill.

Mr. BARKLEY. Of course, I do not agree with the Senator.

Mr. OVERTON. I know the Senator does not.

Mr. BARKLEY. I think if we should strike out this provision we would strike out the heart of the legislation, and even though as many houses might be built under some other plan, they would cost the veteran a considerable amount more per man and per family than they would cost him under this program.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. WHERRY. I might read from the RECORD, a letter recently printed therein, which I think will answer the question which the Senator raised, whether or not prefabricated houses would be produced by a few individuals. There was printed in the CONGRESSIONAL RECORD of March 21, a letter written by Chester Bowles to the Honorable Wilson Wyatt, at a time when this matter was discussed in the House. In division 3, paragraph (d) of the letter written by Chester Bowles we find this language:

The Federal Government must move vigorously in this direction.

He is talking about the production of prefabricated houses.

We have today a large number of plants, notably the airplane plants, which are suited for the construction of prefabricated houses; and we have, too, men of vision and boldness and drive, such as Henry Kaiser and many others, who have demonstrated that they can develop the methods which are required for speedy production.

That is of this type of housing. That statement in the letter, Mr. President, is to me at least conclusive evidence that what Chester Bowles had in mind, and what Mr. Wyatt had in mind, was that if we adopted this program we would underwrite such men as Mr. Kaiser, who want a guaranty on prefabricated houses, and we would take business away from hundreds of thousands of small contractors who could today build these little houses in every hamlet in the land.

Mr. President, I think the Senator from Louisiana has contributed greatly to this debate and discussion, and he is absolutely correct when he says that the manufacture of these prefabricated houses would be in the hands of a few individuals. The fact that Mr. Bowles is so bold as to mention Henry Kaiser in this letter is convincing evidence of that fact.

Mr. OVERTON. I thank the Senator for his contribution. He has expressed my thought even much more clearly than I was able to do.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. LANGER. Does the Senator know of any reason why there should be a guaranty in the case of prefabricated houses, and not in the case of ordinary houses?

Mr. OVERTON. There is no special reason. Offhand, I suppose the reason is this: The prefabricated building industry is a new industry, and the large concerns wish to play on the safe side. They are not like the small contractors back home. They take their chances, but the large operators do not propose to take any chances. They want Uncle Sam back of their enterprise. Otherwise, they are not going into it. Mr. Wyatt knows it. Mr. Bowles knows it, and others know it. The large operators are not going into the business of producing prefabricated houses unless they know they are going to come out on top. In order to come out on top in that venture

they want the guaranty of the United States Government; and they will get it if this bill is passed, to the detriment of the local-home folks. I do not care what the A. F. of L. has to say about it. It is obvious to me that when houses are prefabricated by large concerns in the great centers of population, local industry is destroyed.

Mr. BARKLEY. Mr. President, I am sorry that I offended the Senator from Louisiana by mentioning the American Federation of Labor. I mentioned it merely because most of the carpenters and members of other building trades in the United States are affiliated with the American Federation of Labor, which has endorsed this legislation in the interest of the veterans.

The Senator from North Dakota [Mr. LANGER] asked the Senator from Louisiana [Mr. OVERTON] why there should be a guaranty in the case of prefabricated houses when there is no such guaranty in the case of houses built by a local carpenter.

There is nothing new in the industry of building houses locally of brick, stucco, cement, or lumber. The prefabricated housing industry is new. It is a timid industry. It is easy to raise a bogey against something which one opposes anyway, when he want to find a bogey to help him fight it.

Mr. Kaiser's name was mentioned in a letter written by Mr. Bowles to Mr. Wyatt. Mr. Kaiser is not in the prefabricated house business. He has been in the shipbuilding business during the war. He has now gone into the automobile business. So far as I know—and there was no testimony on the subject—he does not even contemplate going into the prefabricated house business. All Mr. Bowles was doing was calling attention to the fact that there are a large number of Government factories, built for war purposes, which are now idle and which could be used to build these houses.

Prefabricated houses are built from the same materials as are the conventional type of houses. The lumber comes from the same trees, and they are constructed from the same kind of bricks.

In the case of the FHA we insured loans on houses in the United States. Let me say to the Senator that the FHA insured more than 3,000,000 houses in the United States. There was no loss, but the insurance was a guaranty in order to induce lending agencies, including banks, to make loans on houses which otherwise they would not have made. The object was to increase employment and to improve the housing situation in the United States.

Mr. LANGER. I still cannot see why both operations should not be insured.

Mr. BARKLEY. There is no need to insure the construction of an ordinary conventional house. That industry is not new. There is no occasion for insurance.

Mr. LANGER. Suppose a company should build a thousand conventional houses in Baltimore. Why should it not be insured?

Mr. BARKLEY. Because, as I tried to explain yesterday, and tried again today to explain, evidently without success, the general public has not taken hold of the prefabricated house as readily as it has engaged in the purchase of houses built in a conventional manner. The very word "prefabricated" has carried with it some indication that it was a phony house, that it was not the same kind of a house. As a matter of fact, a prefabricated house is built from the very same materials—lumber and other things—as go into the conventional house. For that reason the committee felt that it was worth while, in behalf of the veterans who need houses, to make this guaranty temporarily, while the industry is starting to build houses for the veterans.

Mr. KNOWLAND. Mr. President, it is not often that I disagree with my able colleague, the junior Senator from the State of Washington [Mr. MITCHELL]. However, I do not feel that there is any vast conspiracy on the part of either builders or manufacturers to deprive the American people and the veteran of homes. I believe that industry in general has faced a very critical situation under existing OPA regulations.

Last night I returned from a flying trip to California. I believe that my State faces one of the most serious housing shortages confronting any State in the Union. The area in southern California, particularly the Los Angeles district, has probably the most acute housing situation.

A few weeks ago it was my privilege to serve as chairman of a subcommittee of the Committee on Agriculture and Forestry, considering the reasons for the lumber shortage. We called before that subcommittee representatives of the manufacturers, representatives of the wholesalers and retailers, of the OPA, the CPA, the Department of Commerce, the Department of Agriculture, and other interested agencies. I believe that the testimony before that subcommittee showed beyond any reasonable doubt that it was essential that the OPA make changes in the price structure and get on a more realistic basis. In the case of countless items we found that the manufacturer could not manufacture except at a loss. It is unreasonable to assume that the manufacturer will go into production if he must produce at a loss. I believe that in many instances the OPA has made a fetish of holding the line when as a matter of fact the other end of the line was tied around the neck of American business and was strangling it to death. I believe that if the OPA were to take a more realistic viewpoint and permit industry to operate at a profit, we would realize the production which we so sorely need in this country.

I speak as one who does not believe that it is safe, under the present highly inflationary conditions, to abolish the OPA overnight. However, I believe that the answer to this problem is in obtaining full production, not only in the field of lumber, but also in the field of other building materials such as plumbing, soil pipe, and all the other materials which

enter into the construction of houses. We cannot attain such full production unless the OPA takes a more realistic point of view.

I have been one, Mr. President, who has had grave doubt as to the wisdom of a subsidy. I am frank to say that if a vote had been taken on the proposed subsidy before I went to California, probably I would have voted to strike the subsidy from the bill. But while I was in California I had the opportunity of discussing with Federal Housing officials, with State and county officials, with veterans' organizations, with home builders, and with others, the critical situation which exists there, and which I am sure exists in other sections of the Nation. It is a situation which I believe is no less critical than some of the situations which faced us during the war. I believe that the same kind of effort on the part of industry, labor, the public generally, and the Government, working shoulder to shoulder, will be necessary in order to solve this problem.

While I was in Los Angeles I visited some of the temporary housing projects which were in process of construction, and for which we voted funds. I saw veterans, men with overseas service, men with their families, some with their children, looking for places in which to live, because for a period of several months they have not had a roof over their heads, and were compelled to live in their family automobiles, if they were fortunate enough to own family automobiles.

I talked with other men who had been living under doubled-up, and sometimes trebled-up conditions. Such conditions are a strain on them and their families, and on others living in the same houses.

Those men have given a great deal to this Republic. During some of the best years of their lives they went out to do a job for the American people. I believe that they deserve more than they have been getting at the hands of this Republic.

For that reason, Mr. President, and because I believe that this emergency is no less acute than the emergency which faced us during the war; because I have great confidence in the ability and capacity of Mr. Wyatt; and because I believe that the so-called subsidy will be used as a production subsidy—more or less like a shotgun in the closet, to be used only to obtain additional production if Mr. Wyatt finds that he cannot get it in any other way—I intend to support the bill as reported by the committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the committee amendment as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Nebraska [Mr. BUTLER], who is absent. I am informed that if he were present and voting he would vote as I intend to vote. Therefore, being at liberty to vote, I vote yea.

The roll call was concluded.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL] and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. RADCLIFFE] are absent on official business.

The Senators from Texas [Mr. CONNALLY and Mr. O'DANIEL] and the Senator from California [Mr. DOWNEY] are detained on official business at various Government departments.

The Senator from Massachusetts [Mr. WALSH] is absent on official business as a member of the Board of Visitors to the Naval Academy, which is meeting today at Annapolis.

I wish to announce further that, if present and voting, the Senator from Missouri [Mr. BRIGGS], the Senator from California [Mr. DOWNEY], the Senator from Ohio [Mr. HUFFMAN], the Senator from Washington [Mr. MAGNUSON], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Massachusetts [Mr. WALSH] would vote "nay."

Mr. WHERRY. My colleague the senior Senator from Nebraska [Mr. BUTLER] has been specially paired on this question with the Senator from Oregon [Mr. MORSE]. If present, the Senator from Nebraska would vote "yea," and the Senator from Oregon would vote "nay."

The Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] has been excused to attend to his duties as a member of the Board of Visitors to the Naval Academy in Annapolis.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The result was announced—yeas 35, nays, 38, as follows:

YEAS—35

Austin	Ferguson	Saltonstall
Ball	Gerry	Smith
Bankhead	Gurney	Stanfill
Brewster	Hart	Stewart
Bridges	Hawkes	Taft
Brooks	Hickenlooper	Vandenberg
Buck	McClellan	Wherry
Bushfield	Millikin	Wiley
Byrd	Overton	Willis
Capehart	Reed	Wilson
Capper	Revercomb	Young
Cordon	Robertson	

NAYS—38

Aiken	Gossett	Johnston, S. C.
Barkley	Green	Kilgore
Bilbo	Guffey	Knowland
Carville	Hatch	La Follette
Donnell	Hayden	Langer
Ellender	Hoey	McCarran
Fulbright	Johnson, Colo.	McFarland

McKellar	Murray	Thomas, Okla.
McMahon	Myers	Thomas, Utah
Maybank	O'Mahoney	Tunnell
Mead	Pepper	Wagner
Mitchell	Shipstead	Wheeler
Murdock	Taylor	

NOT VOTING—23

Andrews	George	O'Daniel
Bailey	Glass	Radcliffe
Briggs	Hill	Russell
Butler	Huffman	Tobey
Chavez	Lucas	Tydings
Connally	Magnuson	Walsh
Downey	Moore	White
Eastland	Morse	

So, Mr. CAPEHART's amendment to the committee amendment as amended was rejected.

Mr. BARKLEY. I move to reconsider the vote by which the amendment to the committee amendment was rejected.

Mr. WHEELER. I move that the motion to reconsider be laid on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the motion to reconsider. [Putting the question.] By the sound, the "ayes" seem to have it.

Mr. BRIDGES. Mr. President, I ask for a division.

The PRESIDENT pro tempore. A division is requested.

Mr. BARKLEY. Mr. President, the question is, as I understand, on the motion to lay on the table my motion to reconsider the vote by which the amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. Yes; the question is on agreeing to the motion of the Senator from Montana to lay on the table the motion of the Senator from Kentucky to reconsider the vote by which the amendment to the committee amendment as amended was rejected. A division has been requested. The clerk will count.

The Senate proceeded to divide.

The PRESIDENT pro tempore. On this question the "ayes" are 33 and the "noes" are 32, and the motion to lay on the table is agreed to.

The committee amendment is open to further amendment.

Mr. CAPEHART. Mr. President, to the committee amendment I submit the following amendment: Strike out all of section 11, as amended.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Indiana to the committee amendment, as amended.

Mr. BARKLEY. Mr. President, section 11, as I recall, is the one providing for premium payments.

Mr. CAPEHART. That is correct.

Mr. BARKLEY. Mr. President, it seems to me that all Senators should know what they are about to vote upon. The amendment would strike from the bill the provisions for premium payments which are designed to expedite the production of materials for building. I certainly hope the amendment will be defeated.

Mr. OVERTON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll:

Mr. BANKHEAD (when his name was called). I have a general pair with the Senator from Nebraska [Mr. BUTLER].

Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who, if present, would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ], and the Senator from Maryland [Mr. RADCLIFFE] are absent on official business.

The Senators from Texas [Mr. CONNALLY and Mr. O'DANIEL], and the Senator from California [Mr. DOWNEY] are detained on official business at various Government departments.

The Senator from Massachusetts [Mr. WALSH] is absent on official business as a member of the Board Visitors to the Naval Academy, which is meeting today at Annapolis.

I wish to announce further that, if present and voting, the Senator from Missouri [Mr. BRIGGS], the Senator from California [Mr. DOWNEY], the Senator from Washington [Mr. MAGNUSON], the Senator from Maryland [Mr. RADCLIFFE] and the Senator from Massachusetts [Mr. WALSH] would vote "nay."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] has been excused to attend to his duties as a member of the Board of Visitors to the Naval Academy in Annapolis. If present he would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The result was announced—yeas 20, nays 53, as follows:

YEAS—20

Ball	Capper	Revercomb
Brewster	Gurney	Robertson
Bridges	Hawkes	Stewart
Brooks	Hickenlooper	Wherry
Bushfield	McClellan	Willis
Byrd	Millikin	Wilson
Capehart	Overton	

NAYS—53

Aiken	Gerry	La Follette
Austin	Gossett	Langer
Bankhead	Green	McCarran
Barkley	Guffey	McFarland
Bilbo	Hart	McKellar
Buck	Hatch	McMahon
Carville	Hayden	Maybank
Cordon	Hoey	Mead
Donnell	Johnson, Colo.	Mitchell
Ellender	Johnson, S. C.	Murdock
Ferguson	Kilgore	Murray
Fulbright	Knowland	Myers

O'Mahoney	Stanfill	Vandenberg
Pepper	Taft	Wagner
Reed	Taylor	Wheeler
Saltonstall	Thomas, Okla.	Wiley
Shipstead	Thomas, Utah	Young
Smith	Tunnell	

NOT VOTING—23

Andrews	George	O'Daniel
Bailey	Glass	Radcliffe
Briggs	Hill	Russell
Butler	Huffman	Tobey
Chavez	Lucas	Tydings
Connally	Magnuson	Walsh
Downey	Moore	White
Eastland	Morse	

So, Mr. CAPEHART's amendment to the committee amendment as amended was rejected.

The PRESIDENT pro tempore. The question now recurs on agreeing to the committee amendment as amended.

Mr. REVERCOMB. Mr. President, I offer an amendment to the bill to strike out section 3 (a) on page 24. The section reads as follows:

SEC. 3. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations or unimproved lands (as defined in paragraph (e) of section 8) have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations or unimproved lands in accordance with the provisions of this act. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations or unimproved lands as in the judgment of the Expediter may be necessary to effectuate the purposes of this act. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

Mr. President, on page 26 of the bill, section 3 (c) provides for a certain limitation to be placed upon the Expediter in fixing maximum prices. The language, in part, reads as follows:

(c) Any regulation or order issued under the authority of this act establishing maximum sales prices for housing accommodations in existence on or prior to the effective date of this act or for unimproved lands shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations or such unimproved lands, as the case may be, after the effective date of this act.

The whole effect of section 3 (a), which I have read, together with the language which I have read from section 3 (c) is to give power to the Expediter, who is the administrator under the proposed act, and to place solely in his hands the authority to fix maximum prices of houses, not only those which may be built under the provisions of the act, but any houses, however old they may be, or however much they may have been lived in during the past.

Mr. President, I assert that we are being asked to take a step further in the direction of absolute government control and particularly in placing power in the hands of one man, than any step which has ever been taken under any act, including the OPA. I realize that the maximum price is to be fixed in ac-

cordance with the price which was received when the property was last sold. But, section 3 (a) would constitute an absolute prohibition upon the sale of property. It is an absolute block to free alienation of a man's real estate. It applies not only to a house, but to a lot upon which a house is to be built.

Mr. President, I can readily understand that under the stress of war we could feel justified in limiting rents to be paid on buildings used for commercial purposes. But, the section which I have read applies to a house in which a man and his family is to live. It is his own property, and he sells it to another in which to make his home. I hope that Congress will not go so far, in these days of Government control, as to place upon any man an absolute prohibition against the selling of his own house at a profit if he can deal with another who is satisfied to purchase at a price which may be agreed upon.

Mr. President, I may say that in dealing with this subject, so far as it concerns veterans, in the manner suggested we will create a situation which may be very harmful to the veteran. He may purchase his house and, with his family, live in it, and then find that for business reasons he wants to move to another community. If this bill shall be enacted with this section written into it he may lose when he sells his house, but he can never make a profit on the house he has purchased.

So, Mr. President, I urge that the section be stricken from the bill. I do so because I feel it is a block upon the free alienation of a man's own real estate, and something which we should not do, however far we may have gone heretofore in placing controls upon the individual in the handling of his property.

Mr. CORDON. Mr. President, I think there is no section of the bill which, if properly worded, could be more effectual in maintaining prices of housing than section 3 and paragraphs (a) and (b). I think it is general knowledge that housing prices have risen to unheard of heights in the last few years, and that they are rising yet by leaps and bounds, and I would favor this section if I could find some way to make it work.

I desire to call attention to the provisions of section 3 (a), and then I want some Senator to tell me how that section and that paragraph can be made effective without doing possibly terrible damage to many innocent homeowners.

It will be noted, Mr. President, that section 3 (a) does not undertake in itself to set any ceiling. It undertakes only to give authority to the Expediter to set a ceiling after making certain findings, and it does not require the Expediter to set even universal ceilings throughout the United States. It does not require him to set a ceiling on all types of housing, but he may use his discretion in determining the geographical area to which he shall apply his ceiling order. He may choose any of several classes of housing property to come within the terms of the order, or, to make it concrete, were he to apply it, let us say, to the city of Washington, he could take an area in the northwest or in the southeast and say as to that area, "This order

shall be applicable in this area, and as to the remainder of the District of Columbia it shall not be applicable." He may say it shall be applicable to brick houses and not to houses built of wood. He may use his own judgment in determining the location of the property and the class of property to which his orders shall be applied.

Mr. President, let us take the next step. Let us say that Mr. GI has returned and bought himself a house, and that he bought it after this bill was enacted. Unless and until the Expediter shall make an order saying that with respect to the geographical area where that house is located and with respect to that type of house he may not sell it at a price above that which he paid for it; he may sell it for whatever the market price is. But once that order has been made, then he is limited in his sale to the purchase price at which he bought it.

How in the name of conscience is the home owner to know whether he is so limited or not? The law does not limit him. The law is notice to him that an Expediter may limit him. There is no provision in the section for the recording of any notice in his area telling him that he is so limited, not even a notice at his local post office much less actual notice.

Mr. President, this order, like all such orders, will be published in the Federal Register. I take it that legally that is constructive notice. How many of our 140,000,000 people even know there is a Federal Register, much less what is in it? Remember that it now contains more than 190,000,000 words and that it would take 10 years for a man to read it, at the average rate of reading, on the basis of the standard 40-hour week. Yet, so far as I know, that is the only record there would be of the order.

Mr. President, that would not be so bad were it not that the penalty section of the bill makes it a crime for any individual to violate that regulation, a regulation about which conceivably the citizen would never know anything. True, the penalty says he must willfully violate it. The general definition of the term "willfully" in the criminal law is that one has the intention of doing the thing he does, and he is charged with a knowledge of those things which are of record; and this order, such as it is, would be of record somewhere in the voluminous Federal Register.

Mr. President, I have tried to find some way in which to amend this section so as to give to the average person, the average home-owner throughout this country, notice which would at least give him an opportunity either to obey the law or violate it with his eyes open. I know of no way to do it outside of possibly a provision requiring a copy of such order to be filed perhaps with the postmaster in the county seat, or perhaps some other place or places, but until there is some kind of notice by which the home owner can be put on notice himself that the thing he may do is prohibited, I certainly cannot vote for a bill which may bring him into court charged with a crime.

Mr. President, the first requirement of any law is certainty. The second is certainly adequate notice to those who may be affected by it. I find neither in

this section, and unless something can be offered to the section which will provide for notice, I shall be compelled to support the motion to strike the paragraph. If provision with respect to such notice can be put in it, I shall be glad to support the paragraph as it is in the bill.

The PRESIDENT pro tempore. The question is on the motion of the Senator from West Virginia [Mr. REVERCOMB] to strike out section 3 (a) on page 24.

Mr. BARKLEY. Mr. President, section 3 is made up of several subsections, 3 (a), (b), (c), (d), (e), and (f). Subsection (a) of section 3 is the paragraph that gives to the Expediter general authority to fix ceiling prices, but subsection (a) is tied in with (b) and (c), so that all three of them must go together to determine what it is the Expediter is authorized to do.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. I think the Senator is entirely correct in that statement; that if subsection (a) is removed from the bill, certainly subsection (c) will go out and probably subsection (b).

Mr. BARKLEY. The three subsections, Mr. President, are the parts of the bill that authorize the fixing of ceilings. Subsection (a) which the Senator from West Virginia moved first to strike out is simply the general authority of the Expediter to fix ceilings. But that general authority is limited by subsection (b) and subsection (c). Subsection (a) provides:

Whenever in the judgment of the Expediter the sales prices of housing accommodations or unimproved lands (as defined in paragraph (e) of section 8) have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices.

And so forth. Subsection (b) provides:

Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this act shall provide that no sale of any such housing—

That means new construction that is not completed until after this act becomes a law as distinguished from existing houses.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. I have not finished reading from subsection (b).

Mr. REVERCOMB. Section 3 (a) does deal with the power given the Expediter. Section 3 (b) deals with housing accommodations constructed after the effective date of this act. Section 3 (c) deals with the formula for fixing the maximum as the last bona fide sale.

Mr. BARKLEY. Subsection (c) deals with existing houses, and subsection (b) deals with houses completed after the enactment of this act, so it takes in both types of houses.

I read from subsection (b):

(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of

of this act shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit—

We have changed the language in that clause so as to read:

A margin of profit reflecting the generally prevailing profit percentage upon comparable units during the calendar year 1941.

In other words, Mr. President, after providing for the expediting of the manufacture of building materials, as the bill provides the Expediter may do, he is authorized, based upon the cost of the building, the value of the land, and all the circumstances that go into it, and the fair market value, to fix a ceiling price upon it. It would be utterly futile for us to go to the extent of legislating here in order to expedite the production of building material by the payment of premium payments, if the sky is thereafter to be the limit on the houses which we are proposing to have built for the accommodation of veterans. Even in the House bill there was a ceiling upon new houses. No one has made any question about that. It was not seriously questioned in the House of Representatives so far as new houses were concerned. The difficulty arose with respect to existing houses.

Mr. HOEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HOEY. I desire to ask the Senator a question with reference to existing houses. The bill seems to contemplate that the Expediter shall have the authority to designate certain regions, and to fix prices based upon the first sale occurring after this measure becomes law. Does the Senator contemplate that the Expediter would make a general order covering the whole United States?

Mr. BARKLEY. No.

Mr. HOEY. How would the people in various communities know what regions the Expediter had designated and covered by his order?

Mr. BARKLEY. The Expediter is limited in the orders he would issue first by subsection (b) which provides for new construction. I am ready now to take up subsection (c), which deals with existing houses.

Mr. HOEY. On the question of new houses, that would be a general order covering the whole United States, would it?

Mr. BARKLEY. It might be, or it might not be. That would depend. We have some flexibility in this bill with respect to the cost of houses in urban centers, in large cities like New York. The Expediter could issue a general order which would have to comply with sub-

section (b) which I have just read, no matter where it may be applicable.

With regard to old houses, if the Senator will permit me to read that provision—

Mr. HOEY. I should be glad if the Senator would do so.

Mr. BARKLEY. I read:

(c) Any regulation or order issued under the authority of this act establishing maximum sales prices for housing accommodations in existence on or prior to the effective date of this act or for unimproved lands—

Which are described—

shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations or such unimproved lands, as the case may be, after the effective date of this act.

In other words, in issuing his regulations and his orders he must comply with the provisions of subsections (b) and (c), subsection (b) being applicable to new construction finished after the act becomes effective, and subsection (c) applying to existing houses and to unimproved lands.

Mr. HOEY. Does the Senator from Kentucky think that under this bill, if it becomes law, the order would apply to all the existing houses in the United States, and be limited to the amount of the first sale? Would it apply to all the existing houses in the United States?

Mr. BARKLEY. No. The same ceiling could not be made applicable to the whole United States. It would have to be upon a geographical basis. Of course, the Expediter will have no control whatever over the first sale that takes place. The sale price after that would be the first bona fide sale.

Mr. HOEY. That is what I am asking about. If the bill becomes law would it affect every house in the United States? In other words, anywhere in the United States, if a sale were made, then thereafter there could be no sale of that same house at a greater price while this law is in effect.

Mr. BARKLEY. Yes, it would apply to all the residences in the United States.

Mr. HOEY. Is it not going rather far to say that anywhere in the United States—

Mr. BARKLEY. No. I do not know how we can by law say that this ceiling price shall apply in one State and not in another, or in one city and not in another.

Mr. HOEY. No; but I am coming to this proposition: On the other phase of the bill the Expediter is given authority to review and pass upon the sales prices in all localities after conferring with the local and State officials. But with reference to the phase of the bill we are now discussing, if a man owns his own house, he is covered by this part of the measure under which he is absolutely prevented from making sale of his property for a greater price, and no man could sell a farm anywhere in the United States at a greater price than it was sold for previously. If sold one day it could not be sold for a greater price while this law is in effect. It seems to me that is going entirely too far.

Mr. BARKLEY. The ceiling does not apply anywhere until the Expediter is-

sues his regulations. Those regulations in one instance will apply to new houses. They will in the other instance apply to old houses, existing houses. Under the general terms of subsection (a), if there is no critical situation in a given geographical division, the Expediter may, by regulation, provide that the regulations shall not take effect in that particular area. He would not be required to place his regulations in effect in a particular community—for example, a rural community—unless a critical situation required it.

Mr. HOEY. That was the question which I was asking a while ago. I asked whether the regulations would automatically become effective.

Mr. BARKLEY. No; they would not automatically become effective; and they would never become effective unless the Expediter should issue regulations under subsection (a). In issuing those regulations under the provisions of subsection (a), which are general, he might take into consideration the critical situation in an urban section of the United States, and he might take into consideration the lack of a critical housing situation in a rural section, or in a small community.

Mr. HOEY. How would the people throughout the United States know whether they were included or not?

Mr. BARKLEY. The regulations which the Expediter would issue would be made public in the communities where they were to take effect. Obviously there would be no point in making them public in a community where they were not to take effect and in which they had no application.

Mr. HOEY. I can see the force and effectiveness of the argument with reference to the construction of new houses; but it seems to me that it is going rather a long way to give to any man the authority to say that every home owner in the United States is limited, and that if his home is sold once after the passage of the act, it may not be sold again for a greater price while the law is in effect.

Mr. BARKLEY. In the same connection, unimproved lands are defined as lands within the corporate limits of a city or so contiguous as to be subject to subdivision. We wrote that description so that it would not apply to farm lands and rural lands which are unimproved.

Mr. HOEY. It would not apply to rural land but would apply to the farmer's house.

Mr. BARKLEY. But the Expediter would have discretion, in issuing his general regulations, to exclude any region or territory in which no critical housing situation existed.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. I ask the Senator if this is a substantially fair statement with respect to this particular section of the bill: Once this section becomes law, the Congress will have delegated to the Expediter and vested him with power, at any time thereafter and during the life of the act, to issue, if he desires to do so, a general order covering the entire United States and affecting every house

in it. If in his discretion he does not choose to do so, then we shall have delegated to him the power and authority to single out any particular community, any particular State, any particular area, or any number of States, communities, or areas, and issue an order declaring such areas to be critical, and that ceilings will apply only within such areas, and nowhere else. Is that a correct statement of what the proposed law would do?

Mr. BARKLEY. The regulations provided for in subsection (a) are general.

Mr. McCLELLAN. Have I made a clear statement?

Mr. BARKLEY. Reasonably fair; yes.

Mr. McCLELLAN. In what respect is it unreasonable? I am asking for information.

Mr. BARKLEY. I am trying to answer the Senator.

Mr. McCLELLAN. I shall be glad to listen.

Mr. BARKLEY. Let me read again the general provisions.

Mr. McCLELLAN. I have read them.

Mr. BARKLEY. Many Senators seem to be growing impatient, and it might be better, since we cannot conclude consideration of the bill tonight, to let it go over until tomorrow. Would that be agreeable to the Senator?

Mr. McCLELLAN. It would be quite agreeable to me.

Mr. BARKLEY. I will take the floor the first thing tomorrow and go into that question. To do so at this late hour would take longer than I think Senators would be willing to remain here.

Mr. McCLELLAN. I am perfectly willing to have the bill go over. However, I wish to make this observation: As I understand, by this bill we are absolutely delegating to one man greater power than is today vested in any Cabinet member, and greater power than is vested in all the Cabinet members combined. We are going a long distance toward establishing dictatorship in this country.

Mr. BARKLEY. Let me say to the Senator that it sounds very bad the way he puts it. He states that we are delegating to one man greater power than is vested in any Cabinet officer, or all Cabinet officers combined. One might describe the authority of a dozen men in the Government in that pessimistic way if he wished to do so.

So far as our social organization is concerned, which centers around the home, we are dealing with a more critical situation with regard to the veterans of World War II than any single Cabinet officer has ever dealt with. We must confer authority upon someone. We must hold someone responsible. We must fix the responsibility. We cannot diffuse it among a great number of men. If we were to do so, we might say to one of them, "You are responsible for this." He might reply, "Oh, no. The other fellow is responsible." We must be able to say, "Thou art the man." We must give this responsibility to someone if we expect him to carry out the intention and reach the objective which we are seeking in the proposed law.

Mr. McCLELLAN. Mr. President, I do not yield to the Senator from Kentucky

or any other Senator, or any other citizen of the Nation, in my desire to help the veteran when we can help him.

Mr. BARKLEY. I am not questioning the Senator's attitude; but a critical situation has arisen which makes it necessary for us to place the responsibility on some one person.

Mr. McCLELLAN. Yesterday in our discussion of some phases of this question the Senator remarked, regarding the OPA, that we are unable to do anything about what the OPA does in the exercise of the authority which we have delegated to the Price Administrator. Now it is proposed to establish a superauthority over the whole thing. If we cannot do anything with the OPA Administrator to get him to correct administrative policies which have brought about the very conditions under which we are now suffering, why should we enact another law and delegate still greater powers? If we cannot compel the OPA Administrator to correct these evils, how in the world can we retain any control over a Housing Expediter who would exercise supervision over powers which we have already delegated to someone else?

Mr. BARKLEY. I do not agree with the Senator that the conditions which we are trying to remedy have been created by the Price Administrator. The Price Administrator seems to be the "whipping boy" for all the grievances which center in the Senate. I presume that if I were to rise and read the Ten Commandments, some Senator would object on the ground that the OPA had something to do with them. [Laughter.]

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. I wish to make this comment in regard to the remarks which I have made with respect to the OPA: I do not believe that the Senator will disagree with me when I say that he and I both know, and I believe all other Senators know, that the attitude, practices, and policies of the OPA have been directed toward holding the line, as it is called, against inflation and against an increase in prices. In the manner in which it has undertaken to do so it has overlooked and forgotten the fact that in many instances it is also holding the line against production of vital materials needed today.

Let me give a concrete illustration. We have been talking about lumber. I believe every Senator is familiar with what has occurred in the lumber industry. In my State we have some brick plants. Today I was talking with the manager of one of them. He told me that his plant is no longer manufacturing common brick, but is manufacturing nothing but face brick, at a profit, and is doing very well. The reason his plant is not manufacturing common brick is that the ceiling price will not permit such manufacture at a profit. Therefore he is manufacturing face brick. When a veteran or anyone else wishes to purchase brick he must buy face brick to serve the purpose for which common brick was designed, and for which common brick would be preferable.

In addition to that, there are brick plants in my State which are not pre-

pared to manufacture face brick. They are set up to manufacture common brick. Consequently, today they are closed down and are out of business because of the failure of the OPA to recognize existing conditions and to make proper adjustments in the ceiling prices. I say that those are the factors which have contributed as much as any other factor we can name to the conditions which we are now undertaking to remedy.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I do not have have the floor.

Mr. BARKLEY. Mr. President, I wish to say a few words at this point. I have never contended that the OPA or anyone in it is perfect. I think they make their mistakes, just as all of us do. They, too, are human. They have a duty to perform and they are attempting to perform it.

Because we are subjected to pressure from those who are not satisfied with what the OPA has done, we feel those pressures and we hear those noises, and sometimes we are prone to think that they represent the whole body of the American people. We do not hear from the consumers who are protected—

Mr. WHERRY. Oh, Mr. President, will the Senator yield?

Mr. BARKLEY. Not at the moment.

Mr. President, as I was saying, we do not hear from the great body of the American people who are reasonably satisfied with the price structure which we have had. We hear largely from those who are dissatisfied. Not only is that true with respect to the OPA, but it is true with respect to taxes, with respect to the draft law, and with respect to the failure to muster the men out of the armed forces as quickly as we have tried to have them mustered out. Complaints with respect to all those matters come to us.

I know that as I have sat in the cloak-rooms, I have frequently heard about matters which led me to believe that the world was coming to an end and that the bottom was about to drop out of everything. Then I have gone home and have found that the people were going about their business as usual and that they had not heard the noise that almost scared me to death in the cloakrooms.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAPEHART. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield first to the Senator from Nebraska, who has been throwing bricks at me.

Mr. WHERRY. Mr. President, the Senator from Kentucky said I have been throwing bricks at him. However, I have made only one speech today, and it was short, and it was a condemnation of what the Senator from Kentucky has been speaking about, namely, the stoppage of production which has been caused by the program of the OPA.

Mr. BARKLEY. I did not say that. The Senator from Ohio said that.

Mr. WHERRY. That is what I mean. I took the floor to make a brief speech about that point.

The Senator from Kentucky has said that we do not hear from the consumers. Mr. President, the distinguished Senator knows that we have received communication after communication in which complaints have been made about the OPA's policy and program. The lumber producers have come to Washington and have testified about it. Those who operate the mills have appeared before our committees. Senators who come from States in which the lumber industry is active know that the consumers and those who employ labor have come to Washington to plead with congressional committees to have the OPA permit a flexible price, so that it might be possible to obtain production. If the OPA had permitted a flexible price structure a year and a half ago, Senators would not now be asking for an incentive-payment program. The very fact that the Senate has just adopted the incentive-payment program is conclusive evidence that the Senate is attempting to remedy a situation which involves the question of prices. We are told to hold the price line and to pay the incentives to do this, that, and the other thing.

Mr. President, I should like to discuss one other matter. Some Senators tell us that the present situation is not the fault of the ceiling prices established by the OPA. I hold in my hand a letter from the Johns-Mansville Co. It does not matter whether Senators say it is a large operator or a small operator. The letter is signed by Mr. Harold R. Berlin, its vice president. I wish to read the letter into the RECORD at this point.

Mr. BARKLEY. Mr. President, I yield to the Senator for that purpose, provided I am not taken off my feet.

Mr. WHERRY. Very well.

The letter reads as follows:

JOHNS-MANVILLE SALES CORP.,
New York, N. Y., March 25, 1946.
The Honorable HOWARD H. BUFFETT,
House of Representatives,
Washington, D. C.

DEAR SIR: As you know from recent articles which appeared in the press, it became necessary for our company recently to stop the production and sale of certain building materials on which we were losing money. These products include asbestos cement roofing shingles, de luxe flexboard, asbestos board, insulating board sheathing, certain items in our asphalt roofing line, and certain items in our asphalt floor tile line.

It was with considerable reluctance that our company came to such a decision, because all these items are urgently needed in the construction industry under present conditions. We are eager to produce the maximum amount of materials in order to contribute to the emergency. Under existing OPA ceiling prices, however, it was impossible to continue these lines without a loss. Incidentally, all these products have been operating at a loss over quite a period of months. It is our intention to go back into production on these lines just as soon as we are able to obtain prices that will show us a fair profit return.

Yours very truly,

HAROLD R. BERLIN,
Vice President.

Mr. Berlin's closing statement emphasizes the point I have made.

Mr. President, the statements made in that letter are not idle ones. They are not merely general statements to the ef-

fect that there are "noises in the cloak-room." That letter comes from one of the largest producing companies in the United States, and it has had to suspend its production of all the items enumerated in the letter, even though they are sorely needed at this time, because of the inflexible price program the OPA has established. No one can deny that.

Senators may attempt to laugh it off and may make general statements to the effect that there is nothing to it, but the fact is that if we had had a flexible pricing system, we would not need the incentive program, we would have enough lumber today and we would have enough homes for the returning veterans.

Now we are going to have an incentive payment program. Of course I hope it will result in the desired production, because if that is the way the Senate wishes to proceed, we shall have to abide by the decision of the Senate. But I tell the Senate that such a program will not correct the black market situation. That situation will not be corrected until we obtain maximum production, and an incentive program has never produced maximum production of any commodity. It has not done it in respect to meat. Today the meat situation is in the worst shape it has ever been in. The Armour Packing Co. is closed. The packing companies in Omaha and St. Louis are shut down. Why? Because they cannot obtain animals to slaughter, because there is not sufficient production of the animals.

A similar situation exists with respect to lumber. The incentive program will not solve that problem. We shall see more black markets than we have ever seen before, because incentive payments limit production. Incentive payments will not provide the increased production that the profit motive will provide.

The pricing policy of the OPA is the main issue, and it is the main reason why we do not have sufficient production in the United States today.

Those are the facts. They are not idle statements or boasts, and they cannot be laughed off.

Mr. BARKLEY. Mr. President, I am going to suggest to the Senator from Nebraska that he save his ammunition, because I know he will make the same speech when the question of extension of the OPA legislation is before the Senate.

Mr. WHERRY. And it will be a constructive speech and will tell the truth.

Mr. BARKLEY. I do not question that.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. In response to the statement of the Senator from Kentucky that we do not hear from the consumers, I wish to say that we do not necessarily hear from consumers who complain about the ceiling prices, but we hear plenty of complaint from consumers who have to go to the black markets if they wish to get what they need.

Mr. BARKLEY. No one would have to go to a black market unless someone encouraged the black market. The very people who go to the black market are the ones who encourage it.

Mr. McCLELLAN. And the very thing that encourages the black market is the refusal of the OPA to allow prices sufficiently high to permit the production, without loss, of the goods which are needed.

Mr. WHERRY. That is correct.

Mr. McCLELLAN. The prices established by the OPA encourage the black market far more than purchases on the black market by any one man or a dozen men or a hundred men encourage it.

Mr. WHERRY. That is correct.

Mr. BARKLEY. Mr. President, that may be true; but even if the problem is one of increasing prices—and I have said this over and over again—and even if by increasing prices we could obtain all the building materials we need as quickly as they will be obtained under the premium payment plan, I still insist that a policy of increasing prices would cost the American veteran more than he will have to pay as a result of the program under this bill, and I still insist that the cost of the operations under the bill is a part of the war expense which the whole people should bear, rather than to have only the veterans bear it.

Mr. McCLELLAN. That has not proved to be true in the present situation.

Mr. BARKLEY. We have not tried it yet.

Mr. McCLELLAN. I wish to say with respect to consumers that we receive plenty of complaints from consumers about shortages. They say to us that they cannot get this or that or the other commodity, and they ask Congress to do something about it. We receive many such complaints from consumers. Certainly they are not going to complain about a ceiling price if it helps in respect to the price, but they do complain because they cannot get the goods.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. I understand from the majority leader that in a short time a recess will be taken until tomorrow, and that the amendment which I have offered will be pending when the Senate resumes its session tomorrow.

Mr. BARKLEY. That is correct.

Mr. REVERCOMB. The discussion has been interesting, but we have gotten a little away from the amendment which is pending.

Mr. BARKLEY. That is not unusual.

Mr. REVERCOMB. I find that whenever the OPA is discussed, there is such a tendency.

Mr. BARKLEY. It is a little misleading; it leads off the track more than almost anything else does.

Mr. REVERCOMB. I think it is germane, and I am glad to hear the discussion. But, as I understand, the Senate will recess until tomorrow, and we will then resume our consideration of the amendment now pending.

Mr. CAPEHART. Mr. President, I am praying for the day when the Congress of the United States will have enough courage to try at least once to solve in an American way some of the problems which confront the country, instead of appropriating billions of dollars in order to place into the hands of someone,

somewhere, dictatorial powers over a certain segment of the American people.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. In all kindness, I cannot refrain from saying to my able friend, the Senator from Indiana, that in his reference to the American way, he makes his statement as a basis for opposing a subsidy which would allow the veterans of World War II to have little homes in which to live with their families. However, I venture to assert that if a tariff bill were before the Senate for the protection of industries such as big billion-dollar corporations, we would not hear the able Senator from Indiana, nor any of his colleagues, saying that we should dispose of the matter in the American way and allow the American consumer to buy commodities for whatever he could get them in a free American market. I am not opposed to all tariffs. I might vote for some of them, but I do not believe the able Senator should say that, merely because we are trying to provide a small public subsidy in behalf of the boys who are returning from World War II, and their wives and their children, we are violating all principles of Americanism.

Mr. BARKLEY. Mr. President, I do not wish to get into a tariff argument, and I shall not yield for any Member of the Senate to make a tariff speech. If I had known that the Senator from Florida was about to inject the tariff subject into this debate, I would not have yielded to him.

However, I wish to say that the Senator from Indiana talks about doing things in the American way. My conception of the American people is that whatever they, through their representatives, indicate that they desire and believe is necessary to accomplish, is the American way although it may not be what it was 150 years ago.

Mr. CAPEHART. Mr. President, I wish to say a word to the able Senator from Florida. Every time any reference is made to the private enterprise system and the American system, and an effort is made to talk a little common sense on the floor of the Senate, an accusation is made that those who are speaking in that manner are un-American. It is all very well to wave the flag. It is all very well to refer to some group, as has been done by the able Senator from Florida. He talks about how poor some groups are and how they need this, that, and the other. I do not suppose there is anything wrong in that, but I return to the statement which I made a moment ago. The Congress and the administration have not offered any method to solve the problems which have confronted the American people during the past 12 or 15 years except by borrowing billions of dol-

lars and asking for more power and regimentation.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

The following-named officers for appointment as General of the Army in the Regular Army of the United States, under the provisions of law:

George Catlett Marshall, with rank from December 16, 1944;

Douglas MacArthur, with rank from December 18, 1944;

Dwight David Eisenhower, Chief of Staff, with rank from December 20, 1944; and

Henry Harley Arnold, with rank from December 21, 1944.

Col. Martin Conrad Shallenberger, for temporary appointment as brigadier general in the Army of the United States, under the provisions of law; and

Milton E. Ballangee, for appointment as Director of Selective Service for the Territory of Hawaii, under the provisions of law.

By Mr. BARKLEY (for Mr. WALSH), from the Committee on Finance:

Edward H. Foley, Jr., of New York, to be Assistant Secretary of the Treasury in place of Herbert E. Gaston, resigned;

Robert E. Noonan, of San Diego, Calif., to be collector of customs for customs collection district No. 25, with headquarters at San Diego, Calif., to fill an existing vacancy; and

Harry T. Foley, of Yonkers, N. Y., to be surveyor of customs in customs collection district No. 10, with headquarters at New York, N. Y. (Reappointment.)

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Sam M. Driver to be United States district judge, eastern district of Washington.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Howard C. Speakman to be United States district judge, district of Arizona.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

JUDGE, CIRCUIT COURT, TERRITORY OF HAWAII

The legislative clerk read the nomination of Carrick H. Buck to be first judge of the First Circuit, Circuit Courts, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Ray J. O'Donnell to be United States attorney for the southern district of Ohio.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and, without objection, the President will be notified of all nominations confirmed today.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 10, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 9 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

William D. Pawley, of Florida, now Ambassador Extraordinary and Plenipotentiary to Peru, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

George S. Messersmith, of Delaware, now Ambassador Extraordinary and Plenipotentiary to Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Joseph Flack, of Pennsylvania, now a foreign-service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

J. Rives Childs, of Virginia, now a foreign-service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 9 (legislative day of March 5), 1946:

UNITED STATES DISTRICT JUDGES

Sam M. Driver to be United States district judge for the eastern district of Washington.

Howard C. Speakman to be United States district judge for the district of Arizona.

JUDGE, CIRCUIT COURTS, TERRITORY OF HAWAII

Carrick H. Buck to be first judge of the First Circuit, Circuit Courts, Territory of Hawaii.

UNITED STATES ATTORNEY

Ray J. O'Donnell to be United States attorney for the southern district of Ohio.

79TH CONGRESS
2D SESSION

H. R. 4761

IN THE SENATE OF THE UNITED STATES

APRIL 9 (legislative day, MARCH 5), 1946

Ordered to lie on the table and to be printed.

AMENDMENT

Intended to be proposed by Mr. JOHNSON of Colorado to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, viz:

- 1 Amend paragraph (b) of section 711 by striking the
- 2 period at the end thereof, inserting a colon and adding
- 3 the following: "*Provided further*, That if the dwelling is
- 4 designed for a single-family residence and the mortgagor
- 5 is the owner and occupant of the property at the time of
- 6 the insurance and is a person who is eligible for the benefits

1 of title III of the Servicemen's Readjustment Act of 1944,
2 as amended, the mortgage may involve a principal obliga-
3 tion not to exceed 100 per centum of the Administrator's
4 estimate of the necessary current replacement cost of the
5 property, which otherwise complies with the provisions
6 of this paragraph: *And provided further*, That any excess
7 in the amount of the mortgage over 90 per centum of the
8 estimated necessary current replacement cost of the property
9 shall be endorsed on the veteran's discharge or eligibility
10 certificate, together with a notation of the type of insurance
11 used, and such endorsement shall have the same effect upon
12 the aggregate amount of the guaranty available to such
13 veteran under the provisions of section 500 (a) of the Serv-
14 icemen's Readjustment Act of 1944, as amended, as if such
15 excess had been fully guaranteed under the provisions of
16 title III of such Act."

AMENDMENT

Intended to be proposed by Mr. JOHNSON of Colorado to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

APRIL 9 (legislative day, MARCH 5), 1946

Ordered to lie on the table and to be printed

79TH CONGRESS
2D SESSION

H. R. 4761

IN THE SENATE OF THE UNITED STATES

APRIL 9 (legislative day, MARCH 5), 1946

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McCLELLAN to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, viz: On page 21, strike out lines 4 to 23, inclusive, and insert in lieu thereof the following:

1 SEC. 2. (a) There is hereby created an office to be
2 known as Housing Expediter; and the President is author-
3 ized, by and with the advice and consent of the Senate,
4 to appoint an existing official of the Government to serve
5 as Housing Expediter, or to appoint the Housing Expediter
6 either within any existing agency or as an independent

1 officer of the Government. In the event of an appointment
2 of an existing official, he is hereby authorized and permitted
3 to continue in his present post while serving as Housing
4 Expediter, except that he shall receive no additional com-
5 pensation by reason of his appointment hereunder. If, how-
6 ever, such Housing Expediter is appointed within an existing
7 agency of the Government, he shall receive compensation
8 in compliance with the laws and regulations applicable to
9 officers within such agency; if the Housing Expediter is
10 appointed as an independent officer of the Government, he
11 shall receive compensation at the rate of \$12,000 per annum.

AMENDMENT

Intended to be proposed by Mr. McClellan to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

APRIL 9 (legislative day, MARCH 5), 1946

Ordered to lie on the table and to be printed

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Legislative Reports and Service Section
(For Department staff only)

Issued April 11, 1946
For actions of April 10, 1946
79th-2nd, No. 65

CONTENTS

Appropriations.....14, 35, 36, 38	Military reorganization.....22	School lunch program.....14
Budget.....9	Minerals.....24	Selective service.....17
Coffee.....3	Patents.....25, 34	Soil conservation.....28
Crop insurance.....20	Personnel.....10	Soil Conservation and
Dairy industry.... 8, 12, 14	Philippine rehabilitation13	Domestic Allotment Act...7
Electrification.....15	Price control.....1, 8, 18, 33	Sugar.....4
Farm credit.....10, 29	Property, surplus.....19	Trade, foreign.....3, 4, 5
Farm Security Adm.....11	Rationing.....32	Transportation.....6, 30
Forestry.....21, 24	Reclamation.....16	Veterans.....19, 23
Grain.....31	Relief, foreign.....19	Wildlife.....37
Housing.....1, 2, 27		Wool marketing.....26
Information.....14		

HIGHLIGHTS: Senate passed Patman housing bill. Senate committee reported Philippine trade bill. Both Houses received proposed legislation from this Department to extend Soil Conservation and Domestic Allotment Act to Virgin Islands. House passed Philippine rehabilitation bill. Rep. Stevenson criticized OPA butter regulations, stating that they "aid the oleo interests to supplant the creamery butter industry". Rep. Clevenger spoke against Federal aid for school lunches.

SENATE

1. **PATMAN HOUSING BILL.** Passed, 63-14, with amendments this bill, H. R. 4761 (pp. 3465-501). Agreed, 41-33, to an amendment by Sen. Revercomb, W. Va., to strike out the provision for price control on existing housing and land (pp. 3465-74).
2. **WAGNER-ELLENDER-TAFT HOUSING BILL.** Began debate on this bill, S. 1592 (p. 3501).
3. **COFFEE AGREEMENT.** Discussed the proposed ratification of the extension of the Inter-American Coffee Agreement (p. 3502).
4. **SUGAR AGREEMENT.** Discussed the proposed ratification of the International Sugar Agreement (p. 3502).
5. **PHILIPPINE TRADE BILL.** The Finance Committee reported with amendments H. R. 5856, this bill (S. Rept. 1145) (p. 3464).
6. **TRANSPORTATION.** The Commerce Committee reported without amendment H. R. 5316, to permit Canadian vessels to transport iron ore between U. S. ports on the Great Lakes in order to make more shipping available for farm products (S. Rept. 1166) (p. 3464).
7. **SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT.** Both Houses received proposed legislation from this Department to extend this Act to the Virgin Islands. To Senate Agriculture and Forestry and House Agriculture Committees. (pp. 3552, 3462.)
8. **PRICE CONTROL.** Received from various Kans. dairymen a petition for an increase in milk prices (p. 3463).

9. BUDGET. Received from the N. Dak. Taxpayers Association a petition for balancing of the Budget (p. 3463).
10. RETIREMENT: FARM CREDIT. Received from the Grandell National Farm Loan Association, N. Dak., a petition for inclusion of such Associations' employees under the Civil Service Retirement Act (p. 3463).
11. FARM SECURITY ADMINISTRATION. Received a resolution from the Devils Lake, N. Dak., Chamber of Commerce favoring continuation of this agency (p. 3463).
12. MILK MARKETING. Received a petition from independent dairy operators in the Chicago area opposing the milk-marketing administration there (pp. 3463-4).

HOUSE

13. PHILIPPINE REHABILITATION. Passed with amendments S. 1610, to provide for rehabilitation of the Philippines (pp. 3504-16).
14. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. Began debate on this bill, H. R. 6056 (pp. 3518-41).
During the debate Rep. Stefan, Nebr., spoke in favor of the State Department's program of international information and cultural affairs (pp. 3523-4), and Rep. Vocys, Ohio, criticized the program (pp. 3539-41). Rep. Clevenger, Ohio, spoke in opposition to Federal grants to States, mentioning the school lunch program specifically, and inserted a table showing the grants to States for this program (pp. 3535-7).
14. DAIRY INDUSTRY. Rep. Stevenson, Wis., criticized OPA regulations on cream and butter and stated that Government agencies "must not aid the oleo interests to supplant the creamery butter industry in this country" (pp. 3545-9).
15. ELECTRIFICATION. Rep. Savage, Wash., urged an exposure of the "deliberate misrepresentations of facts" by the private power lobbies (pp. 3542-5).
16. RECLAMATION. Rep. Patterson, Calif., called for support of the projects proposed by the Bureau of Reclamation in Calif. (p. 3551).
17. SELECTIVE SERVICE. The Military Affairs Committee reported without amendment, H. R. 6064, to extend the Selective Training and Service Act of 1940 (H. Rept. 1923) (p. 3552).
18. PRICE CONTROL. Received from the N. Y. League of Women Shoppers, a resolution endorsing the continuation of the OPA (p. 3553).
19. SURPLUS PROPERTY; FOREIGN RELIEF. Rep. Stigler, Okla., criticized the allocation of surplus tractors to UMRRA rather than to veterans (p. 3503).

BILLS INTRODUCED

20. CROP INSURANCE. S. 2049, by Sen. Thomas, Okla., to amend the Federal Crop Insurance Act so as to permit the purchase of insured commodities on the futures market, and S. 2050, by Sen. Thomas, Okla., to amend the Federal Crop Insurance Act so as to permit insurance on wheat, cotton, and flax in terms of dollars. To Agriculture and Forestry Committee. (p. 3464.)
21. FORESTRY. S. 2052, by Sen. Briggs, Mo., and H.R. 6075, by Rep. Zimmerman, Mo., to establish a national memorial forest park in Mo. as a memorial to World War II veterans. To Public Lands and Surveys Committees (p. 3464, 3553.)

be assigned to camps or units of such forces."

HOUSE BILL REFERRED

The bill (H. R. 5991) to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

ADOPTION OF PROVISIONS IN STATE DEPARTMENT REPORT ON ATOMIC ENERGY

Mr. MITCHELL (for himself, Mr. KILGORE, Mr. FULBRIGHT, and Mr. MORSE) submitted the following resolution (S. Res. 255), which was referred to the Special Committee on Atomic Energy:

Whereas the Secretary of State's Committee on Atomic Energy has issued a report outlining a feasible method for the control of the production of atomic energy by all nations;

Whereas this recommended method does not entail the surrender of any atomic secrets until effective international control protecting all humanity is assured;

Whereas available evidence indicates that prevention of atomic warfare is the only effective defense against the destructive force of the atomic bomb;

Whereas no nation can be secure when the scientists and industrialists of all nations are free to discover and make atomic bombs;

Whereas it is necessary to end all competition between nations to make bigger and more destructive atomic bombs: Therefore, be it

Resolved, That it is the sense of the Senate that the security of the United States and of all nations requires prompt action on an international basis to give effect to the proposals embodied in the State Department publication entitled "A Report on the International Control of Atomic Energy," and that negotiations within the United Nations be undertaken immediately upon the basis of the report to the end that its provisions be adopted and a realistic hope of peace be substituted for the present universal fear of mass annihilation through atomic war.

RECOMMITTAL OF A BILL

Mr. ELLENDER. Mr. President, I move that the bill (H. R. 2091) for the relief of Joseph E. Bennett, be taken from the calendar and recommitted to the Committee on Claims.

The motion was agreed to.

GUARANTEE AGAINST WAR—A PEACETIME ARMY—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "Guarantee Against War—A Peacetime Army," written by him and published in the Army Day Review of April 6, 1946, which appears in the Appendix.]

SITTING DUCKS IN OUR AIR FORCES—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "Sitting Ducks in Our Air Forces," written by him and published in the April issue of the American magazine, which appears in the Appendix.]

"HOW GOOD ARE THE SCHOOLS IN YOUR STATES?"—ARTICLE BY DR. JOHN W. STUDEBAKER

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "How Good Are the Schools in Your State?" written by Dr. John W. Studebaker, commissioner of education, and published in the April issue of the American magazine, which appears in the Appendix.]

REORGANIZATION OF CONGRESS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial from the Pioneer Press of St. Paul, Minn., of the issue of March 6, 1946, entitled "For a Modernized Congress"; an editorial from the Cedar Rapids (Iowa) Gazette, of March 6, 1946, entitled "Right Direction"; an editorial from the Lewiston (Idaho) Tribune of March 11, 1946, entitled "Reorganizing Congress," and an editorial from the Salt Lake City Tribune of March 10, 1946, entitled "Antiquated Legislative Machinery May Finally Be Modernized," which appear in the Appendix.]

EXTENSION OF SELECTIVE SERVICE—ADDRESS BY SENATOR JOHNSON OF COLORADO AND EDITORIAL COMMENT

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a radio address delivered by him on April 9, 1946, together with an editorial from the Washington Post of April 2, 1946, and an article by Thomas L. Stokes, published in the Washington Daily News of April 8, 1946, dealing with the subject of extension of selective service, which appear in the Appendix.]

SOIL CONSERVATION IN CONNECTICUT—ADDRESS BY SENATOR McMAHON

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a radio address entitled "Soil Conservation in Connecticut," delivered by him on April 9, 1946, which appears in the Appendix.]

FOOD FOR FREEDOM—ADDRESS BY GORDON ROTH

[Mr. LANGER asked and obtained leave to have printed in the RECORD a radio address delivered by Gordon Roth, director of public relations, Farmers Union Grain Terminal Association, on the Food for Freedom program, March 31, 1946, which appears in the Appendix.]

A. F. OF L. LABOR STATESMANSHIP PAYS OFF—ADDRESS BY W. C. DOHERTY

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address entitled "A. F. of L. Labor Statesmanship Pays Off," delivered by W. C. Doherty, vice president of the American Federation of Labor, on February 28, 1946, which appears in the Appendix.]

REAL LABOR STATESMANSHIP—EDITORIAL FROM COLLIER'S MAGAZINE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Real Labor Statesmanship," published in Collier's magazine for April 13, 1946, which appears in the Appendix.]

ARMY'S NEEDS ARE MODESTLY ESTIMATED—ARTICLE BY ARTHUR KROCK

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an article entitled "Army's Needs Are Modestly Estimated," written by Arthur Krock and published in the New York Times of April 9, 1946, which appears in the Appendix.]

THE CONSERVATIVE SOUTH: A POLITICAL MYTH—ARTICLE BY WILLIAM G. CARLETON

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "The Conservative South: A Political Myth," by William G. Carleton, published in the spring issue of the Virginia Quarterly Review, which appears in the Appendix.]

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The question is on agreeing to the amendment of the Senator from West Virginia [Mr. REVERCOMB] to strike out section 3 (a) on page 24. Without objection, the language proposed to be stricken will be printed in the RECORD at this point.

The section proposed to be stricken out by Mr. REVERCOMB is as follows:

SEC. 3. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations or unimproved lands (as defined in paragraph (e) of section 8) have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations or unimproved lands in accordance with the provisions of this act. Any such regulations or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations or unimproved lands as in the judgment of the Expediter may be necessary to effectuate the purposes of this act. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

Mr. REVERCOMB. Mr. President, yesterday I offered an amendment to strike out section 3 (a) of the pending bill. The effect of striking out that section would be to eliminate the power proposed to be given to the Expediter to place a ceiling price on the sale of houses. I desire to perfect my amendment by asking that section 3 be stricken out, and in lieu thereof to insert the section dealing with this subject which came over from the House of Representatives and which has been passed by the House. I send the perfecting amendment to the desk and ask that it be stated.

The PRESIDENT pro tempore. The Senator has the right to perfect his

amendment. The perfecting amendment will be stated.

The CHIEF CLERK. It is proposed to strike out section 3, on pages 24, 25, 26, and 27, and to insert in lieu thereof subsections (a), (b), (c), and (d) of section 703 appearing on pages 6, 7, 8, and 9 of the printed bill now before the Senate, as follows:

SEC. 703. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this title have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title,

(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this title. The Expediter shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

Mr. REVERCOMB. Mr. President, the whole effect of this modification of the amendment is that it would permit ceilings to be placed on new houses built under the Government-aid plan, but it would not permit the Expediter to place ceiling prices on dwellings and houses that are in existence at this time.

I think the Senate fully understands the situation. I do not believe the amendment need be a subject of long discussion, certainly not on my part, after I have called to the attention of the Senate its meaning and intent. I may say that if section 3 is enacted into law the Expediter is given the unusual power, the most far-reaching power I think ever given to any single Government official, to determine what property shall be brought under this act or under his control, and under price-fixing, and then to say that the first sale price of a dwelling shall be fixed as the resale price. After the first sale, during the time this bill remains in effect, regardless of how long a person may own the property, regardless of how much a prospective purchaser may desire it, the owner cannot sell for any more than he paid for it. I think that is a power Congress does not intend to give to any man.

However much those on the administrative side may desire to exercise controls over the people of this country, I certainly do not believe that in the case of dwelling houses already constructed, houses built by the people with their own money and representing their invested capital, there should be any curtailment or block upon them in dealing with and trading in the properties which they own. I can understand with respect to new houses built under this plan, for whose construction the Government is expending a large sum of money, that there may be some reason for giving the power to limit the sale price of such houses, so that the Government may hold prices in line. For my part, I would prefer that this power be not given with respect to any property; but some feel that it should apply with respect to new dwellings which may be built hereafter.

I am asking that the view be taken which was taken by the House of Representatives when this subject was before the House and the bill was passed. The House of Representatives took the position that the power of limiting the sale price should be given only with respect to new houses built with the help of the Government. The amendment which I am offering would strike out section 3 in the Senate committee amendment, restricts the sale price of old houses. If my amendment is adopted, the power will

not apply to old houses, but only to those built in the future.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. REVERCOMB. I yield.

Mr. LANGER. At the present time has the Government the power of eminent domain for the purpose of taking land?

Mr. REVERCOMB. Oh, yes. The Government has the power of eminent domain to take land or property for public purposes.

Mr. LANGER. Could such land be used for the building of houses for those who are not veterans?

Mr. REVERCOMB. No; it could not be used to build houses for other people. The power of eminent domain can be exercised only where the land or property taken is to be used for governmental purposes.

Mr. LANGER. Would the Senator say that it could be taken for the purposes covered by this bill?

Mr. REVERCOMB. No; I do not believe it could be taken by eminent domain for the purposes of this bill because the houses to be built are to be owned by private citizens in their own right. They will be private property and not Government property.

Mr. LANGER. Then the only way the Government could obtain a tract of land for this purpose would be through the passage of this bill.

Mr. REVERCOMB. As I understand, the bill does not contemplate the purchase of land by the Government. It does contemplate Government assistance in expediting the production of materials so that houses may be built and sold to veterans.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. FULBRIGHT. For tax purposes a profit arising from the sale of a house which has been held more than 6 months is treated as a gain in capital assets.

Mr. REVERCOMB. I did not catch the question.

Mr. FULBRIGHT. If a person purchases a house and holds it for 6 months, and then sells it at a profit, for tax purposes the profit is treated as a capital-assets gain, and the tax is only 25 percent.

Mr. REVERCOMB. I have always understood that the general rule was that the profit arising from the sale of a capital asset was treated as a capital-asset gain, and so taxed.

Mr. FULBRIGHT. Would there not be better control of inflation in the case of real estate if such profits were subjected to the ordinary taxes? That is the more normal way to control inflation.

Mr. REVERCOMB. That is a thought. I had not considered it.

Mr. FULBRIGHT. In the case of stocks, if a person buys a stock and holds it for more than 6 months, and sells it at a profit, the profit is taxed at the rate of only 25 percent. That is one way to avoid the very heavy taxes on income above a moderate amount.

Mr. REVERCOMB. It also discourages speculation.

Mr. FULBRIGHT. Yes. It seems to me that that might be one way to deal with the problem.

Mr. REVERCOMB. I appreciate the thought of the Senator from Arkansas.

The whole purpose of the amendment is to remove from the pending bill the power proposed to be given to the Housing Expediter to fix a ceiling price after the first sale of property which is now in existence, regardless of how old the property is, whether it is 100 years old or whether it was built last year. I feel that the Expediter has no right to interfere with the investment of the people of this country in their homes, whether they be humble or great. He has no right to say that they may not sell their property, even if they acquire it after the passage of the act, if it is old property, and place a limitation on the sale price.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. OVERTON. I believe that the purpose of the amendment suggested by the Senate committee is to prevent speculation in real estate which is to be used for homes. I fail to see why there should be any distinction, such as the Senator makes, between houses which are built pursuant to the provisions of the bill, and hereafter to be constructed, and houses which are already in existence, except for the point which he makes, that the Government is perhaps contributing largely in a financial way to the construction of the new houses. But a home is a home; and the whole purpose of the bill is to provide homes for veterans at reasonable cost.

The purpose of the committee amendment is to prevent a rise in values which would occur if existing houses fell into the hands of speculators. It is very rare that property of this type moves twice within a year and a half. If there is another sale within a year and a half, it is usually by a speculator. When one buys a house to use it as a home—and that is the whole purpose of the legislation—he keeps it as a home. He does not turn around and sell it the next day. I do not believe that the provision in question would have much effect on the right of the individual property owner. I believe that the effect would be very limited in that field. I think it is necessary to carry out the broad purposes of the legislation.

Mr. REVERCOMB. One of the rights of ownership which should continue to exist—the very word “ownership” implies it—is the right of an owner to deal with his own property as he pleases, and to sell it if he wishes to do so. The Senator says that only a speculator would sell property within a short time after buying it. I cannot agree with that statement. Frequently in every community a man buys a home, lives in it for a while, and then his work calls him elsewhere, and he desires to sell it. Shall we say to that man that he shall not sell his property for a profit if someone else wishes to buy it and is willing to pay the price which he asks?

Mr. OVERTON. My statement was a statement of the general rule. I did not say that there were no exceptions.

Mr. REVERCOMB. I rather think that the exceptions mentioned represent a large number of cases in the sale of property. The word “speculation” is mentioned as a bug-a-boo to frighten us.

What is speculation with respect to real estate? Are we going to deprive a man who owns property of the right of selling it when he can find a purchaser who is willing to pay the price which he asks for it?

From my own viewpoint, both with respect to new houses and old houses, I would rather not see such great power placed in the hands of an official with respect to any property. However, it is felt by some that it should apply to new houses built with the assistance of the Government, because the Government has an interest in them, and has adopted the policy of going into this business and making an appropriation. Therefore it is felt by some that because of this policy, and because of the financial aid of the Government, the power of limitation upon the sale price might well be granted.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. DONNELL. As I understand section 3 as contained in the committee amendment, it would not permit the Expediter to fix a price with reference to presently existing houses so far as the first sale is concerned.

Mr. REVERCOMB. That is correct.

Mr. DONNELL. If that be true, I do not see at the moment any special equity in the person who makes the first purchase from the previous owner, if such first purchase be made after the law goes into effect. I can understand the argument to the effect that if the Senator from West Virginia or I had constructed a house 10 years ago, relying upon conditions existing at that time, we should not have our right to sell that property restricted by any authority on the part of the Expediter to fix the sale price. But I am in doubt as to the validity of the criticism directed against the person to whom it may be sold. If I may amplify the question, if the Senator or I had built a house 10 years ago, as I understand section 3 in the committee amendment, we would not be prevented from selling it at any price we might be able to obtain for it. After the house is sold to John Smith, let us say, if he then wishes to sell it, then comes the restriction. It would appear to me offhand, at any rate, that he stands precisely in the position of a person who builds a house after this law goes into effect, and he does not have existing in his favor the equity which exists in favor of a person who built his house prior to the passage of this act.

I should like to have the Senator give me his views in response to my inquiry, if I have made it sufficiently intelligible to him.

Mr. REVERCOMB. The Senator has made it very clear. Mr. President, I think that the John Smith of whom the Senator has spoken, who buys a house after this act goes into effect, and buys it as a dwelling house for himself, has the same right which our people have had since time immemorial, as incident to the ownership of a house, to sell it for what he can get for it. I do not believe this restriction should be placed on either new or old property, although there seems to be more reason to place it upon property which is built with Gov-

ernment aid, so as to let the Government keep its hands on the property. However, I think it is absolutely wrong to impose such a restriction on property which was built 10 years ago without Government aid. I think it is wrong to say that the first price on such property shall fix the future selling price for as long a time as this act shall last—and no one knows how long it will last. I do not think the Government has the right to say to the owner of such a house, “You can sell it at a loss, but you cannot sell it at a profit.” I think that is absolutely wrong.

I can understand that there should be a limit on rents in the case of property which is rented on a commercial basis, as a business transaction, such as a building which is not the dwelling of the owner, but is rented as property in which other people may live as tenants.

But the house which a man owns and lives in as his own home—I care not how humble it may be—is his, and he should have the right to sell it for what he can get for it.

Mr. DONNELL. Mr. President, will the Senator yield to me once more?

Mr. REVERCOMB. I yield.

Mr. DONNELL. I wish to say that the argument the Senator makes applies with some force, it seems to me, although possibly not equal force, to a person who builds a house after this law goes into effect, because certainly since time immemorial the owner of a house has had the right to dispose of it at any price at which he wishes to sell it.

My only question is whether a man who purchases a house which is in existence when this law goes into effect has the same equity which is had by the original owner who owned the property before the law went into effect. I can well understand that if the Senator from West Virginia or I owned a piece of property today, there would be serious question as to the right of the Government to say to us that we could not sell it, after this law goes into effect, save at a price fixed by the Expediter. But the difficulty I have is in understanding how, after this law goes into effect, a man who purchases an already existing house has an equity equal to that which is had by the man who owned the house before the law went into effect.

I do not desire to argue the point, and I greatly appreciate the courtesy of the Senator from West Virginia in giving me the benefit of his views in response to my inquiry.

Mr. REVERCOMB. Mr. President, I am very glad to have the benefit of the statement by the able Senator from Missouri.

I believe I have made my point of view clear. I cannot get away from the very old principle which exists under Anglo-Saxon law and under the law of the United States, namely, that the ownership of a house carries with it, as part and parcel of it, the right to sell the property under any terms which the owner may be able to make under a contract of sale.

There is quite a difference between ownership of a piece of property for the purpose of engaging in the commercial enterprise of renting and ownership of

a piece of property as the home, the dwelling house, of the owner. I think it would be wrong for the Government to step in, today, and take from a man who owns his own home as his own dwelling house the right to sell it at any price he is able to obtain for it, regardless of whether he is a veteran. I think there is a very small distinction, indeed, between a house built after this act goes into effect and one which was built before it goes into effect. I repeat that I do not think the act should apply to either one. Some persons think it should apply to houses built hereafter, because of the aid given by the Government to new construction. That was the position taken by the House of Representatives when it passed the bill, and the same position was taken by the majority of the Senate committee in reporting the bill. Some Senators believe that the restriction should apply to all houses, both those built before this bill is enacted and those which are built after it is enacted.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. HICKENLOOPER. I should like to say to the Senator from West Virginia that it seems to me that a very definite principle is involved in this amendment.

In the first place, under the emergency of war and because the war effort demanded he complete concentration of all our efforts and activities, thereby restricting building during the wartime, we were thoroughly justified as an emergency measure in controlling rents, in controlling consumer goods, and in controlling the prices of scarce commodities. Such steps were justified because the major effort was being made in connection with the production of war goods. I think that is a philosophy which can be justified at any time during an emergency; and it seems to me that during a period of reconversion, until it is possible to return to a normal flow of goods, certain sensible and practical controls can be very beneficial.

By the same token, during this period, which we may regard as an emergency—and the only justification for this housing program is the emergency—by Government money, by Government regulation, by Government supervision, we are stimulating abnormally, if you please, an unusual production of housing. That is done as a result of the aid rendered by the Government. Therefore, in the production of such housing it would seem to me to be justifiable to prevent speculation upon such emergency housing which is built with Government aid and under Government supervision.

But a home which is already constructed represents, in the overwhelming number of cases, not a speculative investment on the part of the person who builds it, but a permanent investment for his home, and I assume that almost everyone who builds a home expects it to be his permanent home. Such houses as are already completed are not necessarily, except in perhaps a very few cases, wartime construction, but they are houses which have been built in the past and have become a part of the owner's capital investment, for use as

his home and for his long-range occupancy. When the Government, under the guise of an emergency, attempts to invade the traditional and inherent right of an American under our laws and Constitution either to sell or to retain his home, which is a capital investment on his part, which was built under peacetime conditions, as a rule, I think such a step should be considered very carefully indeed, not so much because of the proposed control of the price, but because of the very basic principle of the peacetime freedom of the individual, a freedom which we are now attempting to strangle by means of this law.

True, let me say to the Senator, it could be said, perhaps, that it is strangling to impose ceilings on rentals of houses. But I still think that the existence of the emergency and the fact that rentals may be termed a consumable item and the fact that they are an absolutely vital item, probably justify the taking of that step.

I do not think the control of the prices of existing homes will add one bit to the availability of such homes, because there is nothing in the pending bill, even as it is presently written, which provides that a man must sell his home. It would be just as bad to say that anyone who needed a home could require the owner of a house—assuming that the house had one or two rooms more than the owner needed—to sell it to him at a certain price. That is the logical conclusion of this price control, and it would be the only method by which existing homes could be made more freely available to those who need them. As a matter of fact, I do not believe this will cause the sale of a single home.

Mr. REVERCOMB. I agree, but it will prevent the sale of them. The right to sell is a right which every man who possesses property should have.

Mr. HICKENLOOPER. There is nothing in this bill that denies a man the right to say that he will sell or that he will not sell. No owner of a home will sell it under control or out from under control unless, first, he finds a buyer who is willing to pay a price which the owner is willing to accept. A few owners may sell under distress. But this bill, in its present form, will not move a single existing home, and it will violate one of the basic principles of property ownership, namely, the right of an individual to retain that which he possesses. Under the present emergency I can see no justification for such control as is being requested. I think the language of the bill which we have been discussing will not only not accomplish anything worth while but will violate, without excuse, some of the fundamental principles of home ownership.

Mr. REVERCOMB. Mr. President, I thank the Senator for the very able statement which he has made.

I submit my amendment, which has the effect of placing back into the bill the section which was passed by the House of Representatives, with the exception of one subsection thereof, and displacing the all-coverage control which it is proposed to place in the hands of the Expediter over all the homes in this country.

Mr. BARKLEY. Mr. President, I rise in opposition to the amendment offered by the Senator from West Virginia. I can well appreciate that if the Senator could have his way he would not allow any ceiling of any kind to be established with reference to houses involved under the terms of the proposed legislation. I realize that any proposal of this sort grows out of abnormal conditions. If such abnormal conditions were not present in many cases, we would not be here advocating legislation designed to correct them.

Mr. President, I wish to invite the attention of the Senate to what has transpired and what is now transpiring with reference to existing houses. In order to obtain information on the subject, a survey was made. It was a hastily made survey, but it was the best survey that could be made under the circumstances since the proposed legislation was initiated. A survey was made in 92 cities in the United States having a population of 100,000 or more, according to the census of 1940, as well as in 250 smaller cities having a population of less than 100,000. With reference to the period from the spring of 1940 to February 1946, of 84 cities in the United States containing a population of more than 100,000, representing about 11 percent of the total number reporting, showed an increase of 100 percent or more in the prices of existing houses. Twenty-three of the 84, or 27 percent of the whole, showed an increase of from 75 percent to 100 percent in the selling prices of existing houses. Thirty-four of the 84 cities, or 40 percent of the total, showed an increase in the selling prices of houses of between 50 percent and 75 percent.

Among the smaller cities, those with a population of less than 100,000, 47 of them, or 17 percent of the total, showed an increase of 100 percent or more in the resale prices of houses. Another 66, or 24 percent of the whole, showed a rise of from 75 percent to 100 percent in the resale prices of houses. Another 102 cities, or 36 percent of the whole, indicated an increase of from 50 percent to 75 percent. Another 58 cities, or 21 percent of the total, showed an increase of from 25 to 50 percent.

Since VJ-day, which was last September, reports from the smaller cities indicate that more than 50 percent of those reporting experienced price increases up to 25 percent within the 6-month period. Another large number of cities indicated increases in the past 6 months since VJ-day of from 25 percent to 50 percent.

Mr. President, every time there is a sale of an existing home there is an eviction. Perhaps I should not say every time; but if the house happens to be rented and it is sold, there will be, in all likelihood, an eviction, especially if the purchaser is buying the house for a residence or a home for himself. If he is buying it for speculative purposes he will increase the rent to the occupant or tenant of the house.

Mr. REVERCOMB. Mr. President, does the Senator mean to say that he would discourage the purchase of homes?

Mr. BARKLEY. No; on the contrary, through the proposed legislation, I am trying to encourage home ownership.

Mr. REVERCOMB. The Senator has said that the rent would be raised. Does not the Government still exercise control over rents?

Mr. BARKLEY. Not everywhere. The Government controls rents in certain areas which have been designated as defense areas, but it does not control rents outside those areas.

Mr. REVERCOMB. If there should be any abuse with reference to rents, I should think that such abuse could be controlled.

Mr. BARKLEY. Mr. President, I am speaking of the effect of speculative reselling of existing homes. We all know that if a house is rented for which the owner may have paid \$5,000 or \$6,000, or even \$10,000, and is purchased by someone for \$10,000 or \$12,000, which is not at all unusual, because of the speculative spiral and the increase in the selling prices of houses which has taken place the rent upon that house will likewise be increased, or else there will be an eviction. I may say that the survey shows that evictions from existing houses throughout the United States at the present time are taking place at the rate of a million a year. Of course, not all of the persons being evicted are veterans. But if the speculative increase to which I have referred in the price of existing houses is to be allowed to continue until 1947, and no curb is placed on the speculative sales of houses which may take place during the remainder of 1946 and all of 1947, I think it is fair to say that a majority of the evictions in the year 1947 may well be of veterans who were able to obtain houses for rental. The veteran will either have his rent increased or he will be evicted by the new purchaser who may wish to rent the house to someone who is able to pay the increased rent. So that, Mr. President, the amendment offered by the Senator from West Virginia sets up two classes of homeowners. One class consists of those who are willing to go forward and help to stimulate the production of new houses, those who are willing to invest their money in the purchase of building materials in order to provide housing facilities. The man or the organization willing to participate in the production of houses under the amendment offered by the Senator from West Virginia will be penalized as compared to the owner of an existing house, who is put in a specially preferred class simply because he owned the house when this proposed law becomes effective.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. The fact of the matter is that if this bill is passed as written, there will be a great discrimination made between the man who has a house today and the one who builds a house in the future because the bill lays down two formulas. A house existing today has ceiling prices set after the first sale that is made, but the house that is built after this bill shall be passed, has a ceiling price fixed upon the cost, plus a reasonable profit, plus any improvements which may be made, not only

before the first sale but from time to time so long as this bill remains in force. In other words, there are two formulas, one applying to the old house, the house which now stands, the sale price of which is arbitrarily fixed at the price paid at the first sale, but the new house which is built with Government aid, can be sold at a price to be fixed by the Expediter, based upon a fixed formula in this bill that includes from sale to sale the improvements which may have been made.

Mr. BARKLEY. The Senator is entirely mistaken. Under the very mild formula of ceilings on existing houses, a man who owns a house can sell it in the first instance for whatever he can get for it. If he bought it 10 years ago or 5 years ago or 1 year ago or 6 months ago and paid \$5,000 for it, he can sell it for \$15,000 if somebody is willing to pay him that much for it. After that the purchaser who paid \$15,000 for the house, which will, of course be a speculative value, cannot sell it for more than \$15,000, except that he is allowed to add the cost of any improvements he has put into the house and he is also allowed to add any commission or brokerage fees that are customary in the neighborhood where the house is sold. That is the same rule that applies to houses that are built under new construction. From time to time any purchaser or any owner may have an allowance made for additional room. If he installs another bath room, that is a permanent improvement, and he may be allowed to add that to the price, and he may also be allowed, as the bill provides, specifically the customary brokerage fees which are allowed in the community where real-estate men make their living out of the sale and transfer of real property. So there is little difference.

Mr. REVERCOMB. Let us look at the bill to see whether there is but little difference. I refer the able Senator to subsection (c) on page 26, which reads:

(c) Any regulation or order issued under the authority of this act establishing maximum sales prices for housing accommodations in existence on or prior to the effective date of this act or for unimproved lands shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations or such unimproved lands, as the case may be, after the effective date of this act.

There is the formula that applies to houses in existence today. Now I call the Senator's attention to page 24.

Mr. BARKLEY. The Senator did not read all of subsection (c). Let me read the remainder of it. It is as follows:

Any regulation or order under this subsection shall provide for the making of appropriate adjustments in the maximum sales price where substantial improvements to any housing accommodations or betterments to unimproved lands have been made subsequent to the last sale.

Mr. REVERCOMB. I did not think it necessary to read that. It goes along with the provision I read. Of course, it allows for improvements that are added.

Now let us go to the formula to be used for houses constructed after the bill goes into force. On page 24 the following appears in subsection (b):

(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this act shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941.

Then it goes on and refers to prospective sellers.

Mr. President, in the case of an old house, once a sale is made and the price is paid for it, the Expediter does not have the power to raise that price in future sales except for actual improvements made. So there cannot be a profit on that house after the first sale under this act. But in the case of a house that is built after the act goes into force, there is allowed on any sale made, to be fixed by the Expediter, "a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941." So I submit there is a difference.

Mr. BARKLEY. Let me advert to what the Senator has just stated. The Senator, in connection with that section is talking about new houses. The builder of the new house may have had a priority given to him in order that he might obtain materials with which to build the house. He may have bought materials upon which premium payments have been made, which enabled him to buy them cheaper in the market than otherwise would have been possible. That situation does not surround the owner of an existing house. We did not propose by this legislation to say that the builders of houses shall not have a margin of profit on their construction. The average profit of the builder, I think, is recognized to be anywhere from 5 to 10 percent; I think in many cases, perhaps in most cases, a profit margin of 10 percent upon the construction of a house is usually expected. That is one of the stimulants that induce men to put their money into the building of houses. We could not in this legislation, without absolutely stifling the construction of houses on the part of many who have money to invest in houses, provide that they shall merely be allowed what the house cost, what the material and labor that went into it cost, without allowing a reasonable profit. But that situation does not exist with reference to the man who already owns a house and sells it for whatever he can get for it the first time.

After the price has been fixed, including the cost of the materials and the cost of the labor that goes into it, which the owner of an existing house does not have to deal with, after the certification has been given, allowing a ceiling price

upon the first sale, including a reasonable profit—after all that the same rule applies on the resale of that house that applies to the second or third or fourth sale of an existing house.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from West Virginia, and then will yield to the Senator from Missouri.

Mr. REVERCOMB. Where is there in the bill, or under the formula, anything to require the Expediter to peg the price of the newly built house? The bill expressly says that the first sale shall fix absolutely, without change, the price of the old house, and the seller cannot make a profit above that, but for the newly built house it lays down a formula, under which the Expediter has the discretion of taking into consideration all these elements of building and a reasonable profit on top of that. There is no limit as to what the profit may be on any sale made of the new house in the future.

Mr. BARKLEY. Technically, of course, we do not spell out what the profit shall be.

Mr. REVERCOMB. Oh, no.

Mr. BARKLEY. But in fixing the price the Expediter must take into consideration "reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction," that is, the cost of the material and the labor, and also "the fair market value of the land, (immediately prior to construction)." All those things have to be taken into consideration, together with "improvements sold with housing accommodations and a margin of profit."

We cannot say what that profit shall be. We have to leave it to the Expediter in his discretion, based upon the total cost of the house, to determine what a reasonable profit may be. After that has been determined and a certificate has been issued with respect to it and a sale has taken place, thereafter the same rule applies to the new house that applies to the old house. I now yield to the Senator from Missouri.

Mr. DONNELL. Along the line the distinguished Senator from Kentucky was just discussing, I think it would be well that the RECORD should show that, as I see it, in very large part, if not in all respects confirming what the Senator from Kentucky has said, the concluding language of section 3 (b) is as follows:

The first sale of housing accommodations the construction of which is completed after the effective date of this act shall not be made at a price in excess of the maximum sales price certified under this subsection.

Then it provides:

The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (d), shall be the maximum sales price for any subsequent sale of such housing accommodations.

As I see it, that is precisely the rule, as the Senator from Kentucky has indicated, which is applicable to houses which have already been constructed, because subdivision (c) proceeds:

(c) Any regulation or order issued under the authority of this act establishing maximum sales prices for housing accommoda-

tions in existence on or prior to the effective date of this act or for unimproved lands shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations or such unimproved lands, as the case may be, after the effective date of this act.

That is then followed, as the Senator from Kentucky has pointed out, by the statement:

Any regulation or order under this subsection shall provide for the making of appropriate adjustments in the maximum sales price where substantial improvements to any housing accommodations or betterments to unimproved lands have been made subsequent to the last sale.

If the Senator from Kentucky will yield for one further observation, it seems to me, therefore, that the concluding language of subdivision (b) of section 3 establishes that after the first sale of any newly constructed property shall have occurred, the actual price of the first sale shall be the maximum sales price for any subsequent sale of such housing.

Then, in the case of old property, the price of any sale subsequent to the first sale shall be exactly the same, subject only to this possibility, that there might be some argument that the language of the last sentence of subdivision (c) somewhat differs from the language of subdivision (d), but to my mind it would seem that the obvious purpose of the draftsman who drew the last sentence of subdivision (c) is to accomplish, in substance, at any rate, the same thing that is accomplished by subdivision (d).

If the Senator from Kentucky will yield further, to my mind he is correct in saying that after the first sale shall have been effected, with respect to both newly constructed property and with respect to existing property, substantially the same rule is intended to, and I believe does, apply under the committee amendment.

Mr. BARKLEY. I thank the Senator from Missouri. Of course, it would be impossible to fix the same standard upon the first sale price of any existing house that we fix upon the first sale price of a new house. It may be impossible to obtain the figures as to the cost of constructing the old house, either as to materials or as to labor. Therefore, in the absence of the ability to fix the same standard for the first sale of the old house as is fixed in the case of the new house, all we have been able to do is to say that the first sale, whatever it may be, shall be the standard of value by which future sales shall be governed.

Mr. DONNELL. That is, the same standard applies with respect to new construction. Substantially it would seem to me, that after the first sale has been effected, in both instances substantially the same rule applies with respect to resale both of new construction and of existing property.

Mr. BARKLEY. There is no doubt at all about that, and there is a reason why we have to set up a little different standard for the first sale of a new house than for the sale of an old house. It is easy to ascertain how much material went into the new house, it is right there before our eyes, and one can understand

how much labor went into it, and when we add all those things together, plus a reasonable profit, we can fix the price. After that the same rule applies that applies to old houses, after the first sale of an old house.

Mr. President, I hope the amendment will not be agreed to. The committee felt that it was not fair or wise to men who are willing to put their money in new houses to fix a sale price upon a new house for the first sale, and allow the speculative orgy to go on which is now in progress in many of the cities of the United States, without any sort of control over the sales which take place subsequent to the purchase.

There is nothing unfair about it. If a man has owned a house for years and years he may sell it for twice as much as he paid for it to someone who is willing to pay twice as much. The proposed law does not interfere with that. If he is buying it for a home he will want to move into it, and he is not buying it for speculative purposes. But it is unfair to those who are putting their money and their energy into the construction of new houses for veterans to say to those who are able to buy and speculate in existing houses—and in many cases bring about the eviction of a veteran who is renting an existing house—"There will be no curb on you, no control; the sky is the limit with respect to you, but we are going to curb those whom we induce to go into the building business and the construction of houses for veterans."

It would be an unfair distinction, and the latter class should not be placed in that different category after there has been an establishment of the market value of the house itself, which in the case of the old house is the first sale, and in the case of the new house is the first sale with the ingredients that go into the certification as to the selling price of the new house.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. The Senator has been speaking of fairness. I ask him a question in good faith. Very few sales are speculative, in most cases houses are bought by people who desire to live in them. Suppose a man who is a veteran, or one who is not a veteran, because of his occupation has to move to another place and takes his family with him, and he has an opportunity to sell his property. The proposed law says he cannot sell it at a profit. He can sell it at a loss, but he cannot sell it at a profit. Is that fair?

Mr. BARKLEY. I have heard the argument that to put a ceiling on an old house at the figure of the first sale is unfair to veterans, because a veteran might have bought it and might have to move. My answer to that is that the veterans who are buying homes are not buying them for speculative purposes, they are buying them to live in them with their families. They want to take their families out of the cramped quarters in which they now live, perhaps even in automobiles. The Senator from California [Mr. KNOWLAND] yesterday recited that he saw in his own

State ex-servicemen with their wives and children actually living in automobiles, crying for houses in which to live. Those who are able to buy houses are not going to buy them for speculative purposes, they are going to buy them as homes for themselves and families.

This restriction will be in effect only for the remainder of 1946 and during 1947. I can see that it might be possible, in some isolated case that a veteran who has moved into a new community or into another city, after having bought a home, might not be able to make a profit from the sale of the house he had bought in the community from which he moved; but for every veteran who will be denied the right to make a profit out of the resale of a home he has bought, there will be thousands of veterans who will be evicted from the homes they are now renting, if we do not take the proposed action. Evictions will occur by reason of the speculative value of houses which will be taken advantage of by those who seek to speculate in houses. Those who will do that will not be the veterans, but will be those who seek to make money out of the speedy and frequent resale of houses.

Mr. President, we know what is going on. My attention was called to a house in Washington built to sell at \$5,000 and which did sell for \$5,000 just prior to the war. It sold subsequently for \$7,500, and sold subsequently to that for \$10,000, and the present owner is asking for that house \$12,500, and probably will obtain it. I do not think we will be doing the veteran any harm by making such a thing impossible. If we permit the spiral of increased prices in real estate to continue we will do infinitely more harm to the veterans than could possibly come to them by doing what we now propose to do, by which we seek to do good for the veterans.

So, Mr. President, it seems to me there is no justification for the amendment offered by the Senator from West Virginia, and I hope it will be defeated.

Yesterday afternoon the Senator from North Carolina [Mr. HOEY] asked me a question with respect to farms. This bill does not relate to farms. A farm is sold including the house, and this bill does not deal with the sale of farms. We speak of the sale of a farm, including all the improvements. It is still the sale of a farm. This bill does not deal with farms. It deals with new construction. It might be outside the corporate limits of a city, in a community that is susceptible to subdivision for new housing projects. Fifty or 75 or 100 houses might be built on the outskirts of a city, without the corporation limits. We have provided in our definition of unimproved lands that they shall be either city lots or unimproved lands outside that are susceptible to subdivision into housing projects. So the sale of a farm as a farm, with the house on it, is not included in the bill. There is no control over that. We do not seek any control over it. I think that answers the question which the Senator from North Carolina propounded to me yesterday.

Mr. REVERCOMB. Mr. President, the Senator from Kentucky is making an appeal for the veterans. I wish to say that

no one is more deeply interested in the welfare of the veteran than am I. But when the Senator speaks of speculation, certainly I know that these houses are going to be bought by veterans and by others to live in, and not to speculate in. I feel that when the suggestion as to speculation is brought up it is a smoke screen. That is not the actual condition we will meet. Those who will buy these houses will want to live in them with their families, and now it is proposed to provide by legislation that they may sell these houses at a profit, and they will really sell them at a loss if they want to go somewhere else to live and must sell their houses. If a veteran wants to buy a larger house he cannot sell the smaller one at a profit.

Mr. BARKLEY. The Senator from West Virginia uses the word "smoke screen." If what I have said in behalf of the veteran, in opposition to the Senator's amendment, is a smoke screen, then the entire bill is a smoke screen, because the bill was initiated and conceived for the benefit of the American veteran. I am not hiding behind the American veteran. I am not required to do that. The American veteran knows what the bill provides for. The veterans' organizations here in Washington have read the bill and they know what it provides. Representatives of every one of the veterans' organizations—the American Legion, the Veterans of Foreign Wars, and all the other organizations of veterans—came before our committee and endorsed the legislation with the provision in it for ceilings upon existing homes. So if there is a smoke screen I have not observed it, and I certainly did not create it.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. I have not accused the Senator from Kentucky of hiding at all.

Mr. BARKLEY. The Senator was referring to what I said as a smoke screen.

Mr. REVERCOMB. As I view the situation, I think the subject of speculation is given too much emphasis. Speaking of the veterans' organizations, the same veterans' organizations appeared before the committee of the House of Representatives, and the House adopted the provision in the form I have submitted it in my amendment, as modified. They felt that this limitation should not be placed upon existing structures.

Mr. BARKLEY. Of course, the Senator from West Virginia must also know that the House of Representatives did not include the premium payments which were endorsed in the Senate yesterday and adopted by a vote of 53 to 20.

Mr. REVERCOMB. That is correct.

Mr. BARKLEY. The veterans' organizations were for any legislation which gave any reasonable hope of providing homes for veterans, and the program of premium payments and of this very mild provision for ceiling prices on existing houses had not been worked out when the House committee was considering the bill. It was hastily thrown together and debated on the floor, and the House rejected both of them. But that in no way means that the veterans'

organizations are satisfied with the bill as it was reported by the House committee and as it was passed by the House. Be that as it may, the veterans' organizations, after observing the provisions of this bill, have endorsed them wholeheartedly and enthusiastically.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Kentucky yield to the Senator from Vermont?

Mr. BARKLEY. I yield.

Mr. AIKEN. As I understand, if the veteran buys an old house, then the price he pays for that house becomes the ceiling at which it has to be sold in the future. If he occupies it for a year and then has to give it up or move away he can still sell it for the price he paid for it, without deducting what it has been worth to him to live in it for a year.

Mr. BARKLEY. Oh, yes; he can still sell it for what he paid for it, plus any improvements he may have put into it, and he can also include real-estate brokerage fees that are customary in the neighborhood.

Mr. AIKEN. If he occupied it for a year, and it was worth \$40 a month to him to occupy it, he could really have that \$480 profit, plus brokerage fees.

Mr. BARKLEY. Well, it would be equivalent to paying rent to himself while he occupied it.

Mr. AIKEN. Yes.

Mr. BARKLEY. And if he occupied it a year, depending on when he moved into it, the whole period would almost have expired, because this provision is effective only to the end of 1947. So even if he had to wait for a month or two after he moved out in order to sell it for more than he paid for it, if he could do so, it would not be such a great hardship.

Mr. AIKEN. Oh, strictly speaking, he would not sustain any great loss.

Mr. BARKLEY. No. And the number of veterans who will be reselling old houses they have bought for homes will be infinitesimal compared to those who buy houses for speculative purposes.

Mr. AIKEN. They could not be thrown out before the end of the period anyway, because I think that in most States the law permits them to stay at least a certain number of months, or a year.

Mr. BARKLEY. That is true, but if they were moving into another community, or into another city, they would probably want to move out voluntarily.

Mr. HOEY. Mr. President, I have been very much interested in the discussion of this housing bill, and especially interested in the discussion by the distinguished Senator from Kentucky [Mr. BARKLEY] today.

I voted for the subsidy in this measure, although I do not believe in subsidies as a general rule, but I was so anxious to do something to increase housing facilities for veterans that I was willing to forego my opposition to subsidies generally and support the premium payment. I am extremely anxious that housing facilities be provided in the greatest possible degree for veterans, and I would vote for the committee provision with

regard to price ceilings if I felt that it was essential or desirable in attaining the main objective. I do not think so. I intend to support the amendment offered by the Senator from West Virginia [Mr. REVERCOMB], and I wish to mention some of the reasons why I am supporting that amendment.

There is nothing in the committee provision relating to existing houses which would tend to supply houses to veterans, or would aid in that program in the slightest degree. The provision preventing the sale of existing houses more than once at an increase in price has no relation to providing a single additional house for veterans, or providing housing facilities for them.

I believe that this is a wholly discriminatory measure. Let us consider what the distinguished Senator from Kentucky stated a few moments ago. He wishes to prevent inflation or speculation in houses and real property. Yet he admits that every farm in America would be exempt. Therefore the farms, along with the houses on them, could all be sold over and over again for whatever prices the sellers and the buyers might agree upon. There would be no limitation or restriction upon the sale of farms and the houses which go with them. A large number of the veterans would like to purchase farms. If the idea is to control prices so that they will not get out of hand, there is no restriction on the prices of farms and houses located on farms. That is one discrimination.

On the other hand, it is said that the Expediter should have the right to adopt regulations which would cover the sale of existing houses. In other words, after the first sale, a house could not be sold for a greater price during a period of 2 years. However, that is not a general provision. The Expediter would be given authority to make such a rule applicable all over the United States, but the bill provides that he shall investigate the various communities and geographical locations and specify the places where the restrictions should apply.

What does that mean? Either the Expediter will make a general order covering the whole United States, or he will consider conditions in the various areas of the United States. There would be no end of confusion. In one city, town, or village there might be restrictions, so that a house could be sold once at any price, and then, within a period of 2 years, could not be sold at a price exceeding the price of the first sale. In other sections there would be no limitation or restriction. How is the average person to know where restrictions exist and where they do not? The United States covers a great deal of territory. The Expediter could make an order covering the entire United States, or he could issue orders covering individual sections or locations. I believe that that would lead to endless confusion. What would probably happen would be that he would put an order into effect all over the United States, without making investigations. To begin with, he would not have the time or opportunity to make investigations in all localities in the United States to determine whether or

not the necessities required putting such an order into effect in a given locality.

Coming down to the basic principle, why should a man who has built a home and paid for it or who has bought an already existing house and paid for it, be restricted in its sale? The Government has made no contribution, either by subsidy or by granting priorities. Why should he be restricted in the sale of his property?

I think we have gone a long way in taking away individual rights of American citizens. I am unwilling to vote for any measure which writes into law a provision that any home owner in America may not sell property which belongs to him one time, two times, or three times, without obtaining the consent of the Expediter, or permitting the Expediter to prevent him from selling it at a price more than the original selling price.

I am willing to go to the extent indicated in the amendment offered by the Senator from West Virginia, and to say that with respect to new construction, for which the Government has granted priorities, premium payments, or subsidies, prices may be regulated so that they will not get out of hand. Such buildings would be erected by virtue of Government favor, Government priorities, and Government subsidies. Therefore, the obligation rests with the Government to see that there is no speculation in those houses for the immediate future.

But the Government has performed no such service for the citizen who owns an existing house. It has granted him no favor and no special privilege. Why, in peacetime, should we undertake to put into effect a policy which would take away from every home owner in America the right to dispose of his home as he sees fit as often as opportunity may occur to sell it? I think we are going further in this measure than we went in wartime. I do not believe there is any justification for it. It will not provide a single home for a veteran in addition to what is now available.

I am hopeful that the subsidy provision, for which we voted yesterday, will aid in obtaining production of building materials so that the homes may be readily provided for veterans. For that reason I supported it. But this provision would not furnish a home for a single veteran in America. It would merely invade the rights of private citizens and take from them their right to control the property which they buy and pay for, and to which they have legal title. I am opposed to the Government invading the rights of American citizens further than is absolutely necessary. It is not essential, either for the benefit of the veteran or anyone else.

So far as speculation is concerned, as I stated a few moments ago, we shall not be able to curb speculation if we exempt all the farms in this country and permit them, together with the houses on them, to be sold over and over again at whatever prices can be obtained for them, and at the same time apply the restriction solely to people who have bought homes—perhaps as wage earners—and undertake to curb them, so that when a man works for a long time and pays for

his property he will still have the Government standing over him saying, "Even though you can sell your home and make a profit on it, you will not be permitted to do so."

I know that the idea is to curb the speculator. That is a very broad term. It covers a great many people. This provision would not only affect speculators; it would affect every man who buys a home, even a house which already exists. I believe that this is an unnecessary invasion of the rights of citizens. I believe there would be more resentment against the Congress and the administration because of the proposed law than there could be with respect to practically any other law that might be enacted.

I hope that the amendment offered by the Senator from West Virginia will be adopted. I wish to see some rights still preserved for American citizens. I wish to see the man who works and pays for his home have a right to sell it as he chooses.

It is said that if a home owner makes improvements, he can obtain credit for them. Let us see about that. Everyone knows that when a person buys a home he usually paints it or papers it, and makes other improvements to suit himself. The bill provides that after a house is sold the first time the owner may apply to the Expediter for the privilege of selling it again at a price which will cover the substantial improvements which have been made.

In the first place, the improvements must be substantial. The Expediter would say, "Painting and papering are not substantial improvements. They merely take care of the ordinary wear and tear and offset deterioration." A man who spent a considerable amount of money in painting and papering would have no recourse it for any reason—because of misfortune or for any other reason—he should be forced to sell his home. He could not get a cent more than he paid for it.

How long would it require to obtain action on an application filed with the Expediter? This operation would cover the entire United States. Senators know how long a time is required to obtain an answer from the OPA. An application is filed and weeks and months pass. If a man who had made improvements to his property were to make an application to the Expediter for a determination of the substantial value which he had added to his property, weeks and months would pass before he could get the privilege of selling it. His application would have to be acted upon, and in the meantime the purchaser would go elsewhere and buy some other property.

It would mean denying to every purchaser of a home any sort of compensation for the improvements made on his home, if for any reason, it became necessary for him to sell it again or if he wished to sell it again.

I am opposed to restricting the activities of our people. I think this measure would cause the real estate market in the United States to become stagnant. It seems to me that would be the

worst thing that could happen to this country. There are worse things than inflation. Stagnancy is one, and we have tried it. If we provide that there can be no increase in price after the first sale of a house, there will be stagnation wherever the law goes into effect. I think that would be worse than inflation on a moderate scale.

Mr. President, no one forces a man to sell his house. That is a privilege. If the owner of a house wishes to sell it and if he sells it to a man who wishes to buy it, that is free action. I do not think the Government can take a man by the throat and say to him that he cannot sell his house—which he has paid for—at a price which will enable him to obtain a reasonable profit, if he is able to do so.

Therefore, Mr. President, I am earnestly in favor of the amendment which has been submitted by the Senator from West Virginia.

Mr. TAYLOR. Mr. President, I also am in favor of the greatest possible amount of freedom for our citizens, but, on the other hand, when I consider the arguments that have been made, I recall that ceilings have been placed on the prices of automobiles. It is now provided that automobiles may be sold for only a certain amount of money. Yet the Government had no part in manufacturing the automobiles, any more than it did in building the houses on which it is proposed to place price ceilings. So in that respect I do not believe the argument which has been made is valid.

It is also argued that a man who buys a house will not be permitted to sell it at a profit. But most people who buy houses to live in do not buy them with the expectation of selling them at a profit. So the only people whose toes we would consciously by tramping on would be those who are speculators.

When it is said, as the Senator from West Virginia has said, that there is not much speculation in houses at the present time, I can hardly agree. I have just come from lunch with a constituent of mine, who is in Washington visiting his family. It happens that his grown sons and daughters live here. He said that all of them are well to do. We mentioned the housing situation, and he said that all his children are making a lot of money nowadays, speculating in real estate. They are not in the real-estate business, but on the side they are cleaning up a fortune in real estate. He told me frankly, "They buy a house one day and sell it the next day at a big profit."

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. TAYLOR. Yes; I gladly yield.

Mr. MURDOCK. I am interested in the statement the Senator from Idaho is making. It seemed to me, while the distinguished Senator from North Carolina was speaking, that the same argument he made against any restriction on the selling price of houses could be made against any restriction in regard to the price of any article of property which now is subject to control by the OPA.

Mr. TAYLOR. That is, precisely the way I feel.

Mr. MURDOCK. If the argument which has been made by the Senator from North Carolina is logical and sound as to

houses, then there should be no OPA controls at all.

Of course, I am sure that the Senator from Idaho and the junior Senator from Utah would agree with the distinguished Senator from North Carolina that if times were normal, if business were being carried on in an ordinary manner, of course the American way would be to avoid any controls. But during the war we found it necessary to impose certain controls in order to prevent runaway inflation, and we found that the American people were absolutely willing to submit themselves to such controls.

Today we are confronted with a shortage of houses for the men who have been on the battle fronts, fighting our battles, and who now have returned and are asking us to help them obtain houses.

As I understand, the Senator from North Carolina has said that housing is in a somewhat different category than other property, and that therefore no restrictions should be imposed on housing. In my opinion, the Senator from Idaho is correct, Mr. President, for it seems to me that the same argument which the Senator from North Carolina made could be made in regard to every article which now is subject to OPA controls.

Mr. BRIGGS. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. BRIGGS. Is it not a fact that the price of a home decreases, because of deterioration, each day under normal circumstances?

Mr. TAYLOR. Yes; I think that is an undisputed fact.

Mr. BRIGGS. Then if we are setting a ceiling we shall not be preventing a man from making a legitimate profit, because under normal circumstances the home he owns today is not worth the price which was paid for it yesterday.

Mr. TAYLOR. That is correct.

Mr. BRIGGS. I merely wished to make that point.

Mr. TAYLOR. Mr. President, as the Senator from Utah has said, the argument that people are entitled to a profit on their homes could be applied with a great deal more logic to the articles on which OPA price ceilings are established at the present time, and which were manufactured for a profit in the first place.

It has been stated that the imposition of price ceilings on houses will not make one more house available to the veterans. That may be true. Of course, after this law goes into effect, a man who buys a house will not be able to resell it at a higher price. Under this law, if he subsequently is forced to move and therefore has to resell his house, he will not lose anything, and possibly some veteran will have an opportunity to buy that house at the same price at which it was sold the first time after the law went into effect. So the law could benefit veterans in that way.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TAYLOR. I am happy to yield to the Senator from Louisiana.

Mr. OVERTON. And when a veteran goes to a new location and undertakes to buy a house already existing there, he

will not have to pay a speculative price for it.

Mr. TAYLOR. That is correct. He will not have to pay a higher price than the price at which the house presently sells.

Mr. President, I know something about this matter, because I had to buy a house last spring in order to find a place to live in. I paid \$15,000 for it, and that price was \$3,000 or \$4,000 more than it was worth before the war. After reading in the newspapers the prices which now are being asked for houses, I am quite certain that at the present time I could sell that house for \$18,000 or \$20,000. I myself would be perfectly willing to have a price ceiling established at the present time on the basis of the price at which the house was last sold, so far as I am concerned. I could use the money I would obtain if I sold my house speculatively. But I am willing to make that sacrifice for the good of all of us, for the general welfare. I believe that is what this matter boils down to: whether the people of America are willing to sacrifice temporary, unexpected, speculative gains for the general welfare.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia [Mr. REVERCOMB], as modified.

Mr. MURDOCK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Daniel
Andrews	Hatch	O'Mahoney
Austin	Hawkes	Overton
Bail	Hayden	Pepper
Bankhead	Hickenlooper	Reed
Barkley	Hoey	Revercomb
Bilbo	Johnson, Colo.	Robertson
Brewster	Johnston, S. C.	Saltonstall
Bridges	Kilgore	Shipstead
Briggs	Knowland	Smith
Brooks	La Follette	Stanfill
Buck	Langer	Stewart
Bushfield	McCarran	Taft
Byrd	McClellan	Taylor
Capehart	McFarland	Thomas, Okla.
Capper	McKellar	Thomas, Utah
Carville	McMahon	Tunnell
Cordon	Magnuson	Vandenberg
Donnell	Maybank	Wheeler
Downey	Mead	Wherry
Fulbright	Millikin	Wiley
Gerry	Mitchell	Wilson
Green	Morse	Young
Guffey	Murdock	
Gurney	Murray	

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from West Virginia [Mr. REVERCOMB] as modified, which will be stated.

The CHIEF CLERK. It is proposed to insert, in lieu of section 3 of the committee amendment as amended, subsections (a), (b), (c) and (d) of section 703 of the original House text, beginning on page 6, line 10, as follows:

SEC. 703. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this title have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance

with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title.

(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this title. The Expediter shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

Mr. REVERCOMB. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. BANKHEAD. I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who if present and voting would vote as I am about to vote. I am therefore at liberty to vote, and I vote "nay."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Idaho [Mr. GOSSETT] are detained on official business at various Government departments.

The Senator from Pennsylvania [Mr. MYERS], and the Senator from Massachusetts [Mr. WALSH] are absent on official business as members of the Board of Visitors to the Naval Academy.

I wish to announce further that, if present and voting, the Senator from Pennsylvania [Mr. MYERS], and the Senator from Massachusetts [Mr. WALSH] would vote "nay."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Michigan [Mr. FERGUSON] is necessarily absent. If present he would vote "yea."

The Senator from Nebraska [Mr. BUTLER] has a general pair, which has been heretofore announced and transferred.

The result was announced—yeas 41, nays 33, as follows:

YEAS—41

Austin	Hart	Saltonstall
Ball	Hawkes	Shipstead
Bilbo	Hickenlooper	Smith
Brewster	Hoey	Stanfill
Bridges	Johnston, S. C.	Stewart
Brooks	McCarran	Taft
Buck	McClellan	Thomas, Okla.
Bushfield	McFarland	Vandenberg
Byrd	McKellar	Wheeler
Capper	Millikin	Wherry
Carville	O'Daniel	Wiley
Cordon	Reed	Wilson
Gerry	Revercomb	Young
Gurney	Robertson	

NAYS—33

Aiken	Downey	Kilgore
Andrews	Fulbright	Knowland
Bankhead	Green	La Follette
Barkley	Guffey	Langer
Briggs	Hatch	McMahon
Capehart	Hayden	Magnuson
Donnell	Johnson, Colo.	Maybank

Mead
Mitchell
Morse
Murdock

Murray
O'Mahoney
Overton
Pepper

Taylor
Thomas, Utah
Tunnell
Wagner

NOT VOTING—22

Bailey
Butler
Chavez
Connally
Eastland
Ellender
Ferguson
George

Glass
Gossett
Hill
Huffman
Lucas
Moore
Myers
Radcliffe

Russell
Tobey
Tydings
Walsh
White
Willis

So, Mr. REVERCOMB's amendment, as modified, to the amendment of the committee, was agreed to.

Mr. REVERCOMB. I move to reconsider the vote by which my amendment, as modified, to the committee amendment, was agreed to.

Mr. BUCK. I move to lay that motion on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Delaware [Mr. BUCK].

The motion to lay on the table was agreed to.

Mr. WHERRY. Mr. President, for myself and on behalf of other Senators I offer an amendment which I send to the desk and ask to have stated, and I ask that the names of the sponsors of the amendment be read.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. Mr. WHERRY, for himself, Mr. CAPEHART, Mr. REVERCOMB, Mr. BROOKS, Mr. ROBERTSON, Mr. CORDON, and Mr. WILSON, offer the following amendment: On page 38, beginning with line 23, it is proposed to strike out all down to and including line 16, on page 40, and insert in lieu thereof the following:

SEC. 11. The Administrator of Veterans' Affairs is authorized and directed to pay, under such regulations as he may prescribe, to or on behalf of any veteran of World War II a sum equal to 5 percent of the cost of a dwelling heretofore purchased or constructed by such veteran and to be occupied by him or his family as a home. No payment in excess of \$500 shall be made to or on behalf of any such veteran and no payment shall be made to or on behalf of any such veteran with respect to more than one dwelling. Regulations prescribed under this section shall contain such provisions as the Administrator deems necessary to insure the use of payments made under this section for the purpose for which such payments are made.

Mr. WHERRY. Mr. President, the amendment needs very little explanation. I would say it is self-explanatory. What we propose by the amendment is to pay to the veterans by way of a direct benefit the \$600,000,000 subsidy proposed to be paid to producers. Generally speaking, I have always been opposed to subsidies, though. I have voted for some. I voted against the production subsidy yesterday because I do not think it will result in producing any more lumber. Under the action taken by the Senate yesterday a production subsidy will be given to the producers of the country, and the veteran will not receive any benefit at all thereunder. In fact the veteran does not receive any aid under the provisions of the bill as amended, because any other person can build a house just as cheaply as the veteran can even though he receives the

so-called aid provided in the bill. Any other individual can build a house just as cheaply as the veteran can in spite of the aid proposed to be given to him under this so-called veterans' bill. The only advantage in the world that is given to the veteran under the bill as now amended is that he is given a priority. He does not get a special reduction in the cost of his house, because the same reduction is given to anyone else who builds a house.

The bill is framed on the old theory that if an incentive is made the cost of production is kept down. But if we really propose to give the veteran something, let us be fair, let us be honest about it. By the provisions of this bill we are not giving the veteran the advantage that some have claimed are given to him. Everyone in the United States is given the same benefit that is given the veteran under this bill. In fact, what is actually being done is to get the Senate to adopt incentive payments to producers, and that is being done by riding on the coattails of the veterans. The people of the country are being misled. The veterans are being misled. The veterans are not being given any benefit at all by this bill.

Now, what would the amendment just offered do? It would use the amount which would otherwise be paid out in subsidies to make direct payments to the veterans. The subject was discussed on the floor of the Senate yesterday by the able Senator from Ohio [Mr. TAFT] and by the able Senator from Kentucky [Mr. BARKLEY], and they said the bill would save to the veteran about 5 percent of the cost of the house. It was estimated that if he built a \$6,000 house, the bill would save the veteran about \$300, or if he built a \$10,000 house, it would save him about \$500.

Let me say, Mr. President, that there is nothing in the bill which would give the veteran a dime, no, not even a penny, if he were to buy a house. There are many veterans who would rather buy houses than build them. The only way some veterans are ever going to get houses is by buying them.

Mr. President, the previous title of legislation has been "National Housing Act." We call it now "Veterans' Emergency Housing Act." That is the title of the pending bill. We tell the veteran that this is an emergency measure. Why should we mislead the veteran. It is my opinion that if we strike out the provision with respect to incentive payments and require the Housing Expediter to allow flexible price ceilings we will get the needed production in the private profit motive way, and we will get more production than can be gotten by the incentive route. That is my position. If it is our purpose to give the veteran anything, let us be honest and honorable about it, and give the veteran a subsidy rather than give it to the producer, to whom benefits could come through production by the profit-motive way.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BANKHEAD. Is this proposal in addition to the general incentive, or in lieu of the general incentive?

Mr. WHERRY. No; this proposal is in lieu of the incentive. The Senate has already voted to provide premium payments in the sum of \$600,000,000. Our proposal is that instead of giving this money to the producer, as the result of which the veteran will have no favoritism shown him, or will receive no advantage, we should give the money to the veteran by way of direct aid. We propose to give it direct to the veteran instead of two the producer, because we can obtain needed production by the profit motive way to build the needed houses.

Furthermore under our amendment aid is given to the veteran who buys a home. There are 35,000,000 homes in this country, and some of them are going to be sold, and veterans are going to buy them. Instead of letting someone ride on the coattails of the veterans in obtaining subsidy payments, let us be fair about the matter; let us give the man who is buying a home the same advantage he is supposed to receive under the incentive subsidy, which is about 5 percent.

Mr. McCLELLAN. Will the Senator yield?

Mr. WHERRY. I yield.

Mr. McCLELLAN. As a general principle I believe I would favor the direct payment, possibly over the incentive payment provided in the bill. But this is what disturbs me about the amendment just offered. I also have some misgivings with respect to the incentive payments. By this legislation some veterans would be favored, but no provision is made to take care of other veterans. In other words, only the veteran who wants to buy a house in the future is provided for. Some veterans have already bought homes. They have obligated themselves to pay for them, and they still have the debt. The amendment just offered would make no provision to take care of the veteran who is in that situation. There are other veterans who perhaps own a home which has a mortgage on it, who are undertaking to go into business and become adjusted to civilian life, who need financial aid, and yet no provision is made for them. How are we going to justify an expenditure of Federal funds to give assistance to a veteran who merely wants to buy a home, and at the same time not make similar provision or comparable provision for payment to all other veterans?

Mr. WHERRY. I think the Senator has misread my amendment. The pending bill does the very thing the Senator is talking about. All the bill does is to provide an incentive to help veterans who want to build houses from this time on. The amendment I have just offered provides that a veteran who wants to buy a house for \$10,000 will be given a \$500 payment, and the one who wants to buy a \$5,000 house will be given a \$250 payment. It was asserted yesterday that a comparable saving would come to the veteran through the incentive payments made to the producers, but I do not think that saving will come back to the veteran. I want to include all veterans who want to buy houses, and if the Senator desires to bring under the bill all veterans who have bought houses since VJ-day, and give all of them the 5 percent, I have no

objection. If the Senator wishes to amend the amendment and permit every veteran of the Second World War to receive the benefit payment, very well.

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. WHERRY. Yes.

Mr. McCLELLAN. I do understand the bill as it is at present with respect to the incentive payment. I voted to strike out the \$600,000,000 subsidy.

Mr. WHERRY. So did I.

Mr. McCLELLAN. But I did it because I do not think that is the remedy for the present situation. I think the power already exists in the authority which OPA has, to adjust prices on all critical materials so as to obtain production. That power is already delegated by the Congress, and reposes in an official of the Government. It is not being exercised. It is not being administered to that end and to get those results. My position simply is that even if incentive payments are made, unless and until the condition which now exists is corrected, we are not going to get the needed production. The basic evil is the present pricing of critical materials, so that it is no longer profitable to produce them, and those who are in a position to produce are not producing, and our capacity for production is not being utilized. The incentive payment is not the cure for the situation.

Mr. WHERRY. I agree absolutely and in toto with what the distinguished Senator from Arkansas has stated. I, too, voted against incentive payments yesterday for the same reasons so ably set forth by the Senator from Arkansas. But I want to say to the distinguished Senator that the Senate now has willed to pay the incentive premiums. We have in this bill a subsidy of \$600,000,000. What we want to do is to see that the subsidy gets to the veteran, and not to producers, to be reflected back to the veteran.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McCLELLAN. The Senator's amendment, if adopted, would certainly offer no incentive toward production, would it?

Mr. WHERRY. I agree entirely with what the distinguished Senator has said, that the way to get production is exactly as he has described, that is, to require the Housing Expediter to compel OPA to provide a flexible pricing system which would result in increased production of lumber. When we get increased production of lumber, there will be no need for any incentive. We can get it in the way which has been suggested, as I shall attempt to prove later, whereas we could never get it through the so-called emergency premium payments.

Mr. McCLELLAN. If the Senator will further yield, I should like to make my position clear.

Mr. WHERRY. I yield.

Mr. McCLELLAN. Since the Senator's amendment is not designed to increase production, but is designed to make a direct payment to the veteran, the position I am taking is that it is hardly fair for Congress to make a direct payment to one veteran who chooses to engage in one pursuit and acquire a home, and not make a similar

payment to another veteran to do something else. Therefore we are discriminating against a great number of veterans.

Mr. WHERRY. That is what we would be doing in connection with the \$600,000,000 subsidy. We propose to spend \$600,000,000 so that some veterans may build homes, while we make no provision whatever for veterans who wish to buy homes. There is no provision in the bill to aid a veteran in buying an already existing house.

Mr. McCLELLAN. I do not believe that the incentive payment would actually help the veteran.

Mr. WHERRY. I agree with the distinguished Senator from Arkansas completely relative to the bill as it now stands. I do not believe that incentive payments would result in any more production than we have now. The only thing left in the bill which gives the veteran any benefit is the priority. I agree that priority in obtaining materials which are channeled by the Housing Expediter would be a direct benefit.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CAPEHART. I should like to say a word in response to the able Senator from Arkansas.

In the first place, this bill is not a veterans' bill. In the second place, the bill plays favorites all the way through. It is proposed to grant a subsidy of \$600,000,000. It is also proposed to guarantee the market for the sale of prefabricated houses. No one knows how much that would cost. It is estimated that the cost might be as much as \$1,000,000,000. Yet we call this a veterans' bill. It takes care of only the veteran who wishes to buy a new house, a house to be constructed in the future. Why it was ever called a veterans' bill is beyond my comprehension. In the bill we single out veterans who wish to purchase new houses to be built in the future. We are doing absolutely nothing for the veteran who wishes to purchase an existing house. I do not know how many veterans will wish to purchase houses. Many of them will. But we are picking out the class of veterans who wish to purchase houses, and saying to them, "Hereafter we will give you 30 days in which to purchase all the new homes built in America. At the end of 30 days, if you have not purchased the house, they will be sold to nonveterans."

That is all we are doing so far as the veteran is concerned. We are doing nothing for the hundreds of thousands of veterans who would like to build a commercial place of business. We are doing nothing for the farm veteran who would like to buy a farm, a tractor, or other farm implements. We are doing nothing for the veteran who is a doctor, so far as renting a location for him or buying equipment for him is concerned. We are saying to one class of veterans, "We are going to do something for you." Then we are fooling them by making them believe that they are going to be able to buy houses cheaper, and that they are going to be able to get more houses because we have authorized the expendi-

ture of a few hundred million dollars to pay subsidies and premium payments, or guarantee the market for prefabricated houses, when the manufacturers and businessmen of America are against the subsidy plan. They are against guaranteeing the market for prefabricated houses.

I was happy to join the Senator from Nebraska in offering the amendment. It is really and truly a veterans' measure. It would do something directly and specifically for the veteran, and it would do something for him now, not later. I hope the amendment will be adopted.

Mr. WHERRY. I thank the distinguished Senator for his contribution.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. The remarks of the Senator from Indiana have emphasized the position which I have taken with respect to the bill from the very beginning. But the point I am making is that if we do not stick to the incentive payments as provided in the bill, and undertake to make payments directly to veterans in connection with the purchase of houses, we shall be in the position of expending whatever sum of money is appropriated for the group of veterans who wish to buy houses, without doing anything, comparatively, for those who may choose to do something else. It seems to me that we are favoring a group of veterans and not favoring veterans as a whole. Those who are not interested in buying houses are going to be in the position of saying, "You gave \$300 or \$500 to certain veterans to buy houses. We think we ought to be taken care of proportionately in some other way." We are going to invite some criticism.

Mr. WHERRY. Mr. President, I should like to reply to the statement of the Senator. What are we doing under the pending bill but favoring a group of veterans?

Mr. McCLELLAN. I do not believe that we would be favoring a group of veterans at the expense of the Government if we were to stick to the proposition of channeling the material into construction and having prices fixed on a basis which would encourage production.

Mr. WHERRY. I agree absolutely with the Senator. The Expediter would have the right, without giving an incentive payment, to do what the Senator has suggested. But if we make incentive payments, we shall require every veteran, through taxes, to pay his share of the subsidy whether he uses it or not. So under the present provisions of the bill there is a great deal of discrimination against the veteran who does not build a house.

Mr. President, it is my opinion that there is more than one way to get production of houses. We have heard an abundance of evidence, ably presented to the Senate, to the effect that the way to obtain increased production is through an incentive program. After all, the interest of the veterans will best be served by a program which achieves the greatest number of houses of the best possible quality at the lowest possible cost. We

are all agreed on that. The question is, Should that result be accomplished solely by the incentive route, or should it be done by establishing flexible prices under which private industry can furnish the lumber and other building materials?

Mr. CORDON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CORDON. The suggestion has been made that the amendment now pending would not in any way provide an incentive for the production of the materials necessary for a housing program. I am in agreement with that statement as a single statement of fact. The payment of a percentage of the cost of a house to the veteran who purchases it would not, in itself, provide the incentive necessary for a vast expansion of housing construction.

But the point I wish to make, if the Senator will indulge me a moment, is this: This bill puts into the hands of the Expediter the power to create that incentive; and he can create it in other ways, rather than by attempting to buy it. He can create it under paragraph (2) on page 22, and that is how it should be created. That paragraph provides that the Expediter may "issue such orders, regulations, or directives"—I do not like any one of those three words—"to other executive agencies, including the Office of Economic Stabilization"—which is Mr. Bowles—"and the Office of Price Administration"—which is the other bottleneck in production.

If Mr. Wyatt, or whoever the Expediter may be, will issue the appropriate orders to those agencies, there will be no need of any price incentive or premium payments. Production will come in a flood. The payment of the 5 percent, or maximum of \$500, to the veteran will give to the veteran the offset which is necessary if he is to be given any preferential treatment whatever. God knows, if he is not entitled to preferential treatment, certainly all of us, who have done nothing but wait for him to win the war for us, are not entitled to it, as we would get it under the bill as it came from the committee.

The bill itself carries the authority to create all the production which is necessary; and the amendment which has been offered would channel any funds which are to be handed out to anyone, to those who have earned the right to receive them.

Mr. WHERRY. Mr. President, I thank the distinguished Senator from Oregon for his contribution, and for the points which he raises. I had planned to discuss those points, but they have been so ably put that I am saved the trouble of discussing them.

As I have already stated, it is my sincere feeling that we all want to help the veteran. The question is how best to do it. Those who believe in the incentive method have a perfect right to their opinion, and I have a perfect right to mine. My experience as a member of the Small Business Committee, in talking with hundreds of producers of lumber and other building materials, leads me to the conclusion that the profit mo-

tive offers the best method of obtaining production; but that we must have a flexible pricing system—and by “flexible pricing system,” I mean that we must establish prices which will permit the making of a profit based on current costs.

Mr. CORDON. Mr. President, will the Senator yield to me once more?

Mr. WHERRY. I yield.

Mr. CORDON. I am sorry to interrupt the Senator, but I hope he will give consideration to another criticism of the amendment, made by the distinguished Senator from Arkansas, which seems to me to be valid, and which I believe would improve the amendment if the distinguished Senator from Nebraska were to modify it accordingly.

The Senator from Arkansas calls attention to the fact that the amendment is prospective only in its operation, that it would provide a subsidy for only veterans of World War II who purchase or build houses after the date of enactment of the bill.

Mr. WHERRY. That is correct.

Mr. CORDON. If veterans are to receive the subsidy it would seem to me altogether proper to provide that any veterans who have purchased or built houses since the emergency began should be placed in the same position. I suggest that the Senator consider modifying his amendment to the extent of adding the words “heretofore and since December 7, 1941,” following the word “hereafter” in the fourth line of the amendment, so that the amendment then would read:

The Administrator of Veterans' Affairs is authorized and directed to pay, under such regulations as he may prescribe, to or on behalf of any veteran of World War II a sum equal to 5 percent of the cost of a dwelling hereafter or heretofore and since December 7, 1941, purchased or constructed by such veteran—

And so forth.

Mr. WHERRY. I accept the modification, Mr. President, because, after all, the Veterans' Administration is responsible for handling the benefits received by veterans, and it is the authority which defines the status of the veteran. I shall be glad to modify my amendment so as to make it cover all veterans of World War II, so that no partiality shall be shown in respect to giving to veterans the aid which will be provided by my amendment and by the act.

The PRESIDING OFFICER. The Senator has a right to modify his amendment, and it will be modified accordingly.

Mr. WHERRY. Mr. President, I should like to return for a moment to a discussion of the question of production. As I have said before, I feel that all of us have a right to express our opinions about the way to obtain production. I know that maximum production has a terrific effect upon prices, and I know that an ample supply or a surplus of a given commodity has a tendency to keep down its price, and it serves a useful purpose because then everyone who wishes to obtain the commodity is able to do so.

I know that in this country the private enterprise system has always produced sufficiently, if given a chance. No

country in the world had a better production record during the recent war than did the United States, and our production record was made the free enterprise way.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. WHERRY. Mr. President, I shall be very happy to yield. I always yield. I should like very much to explain the amendment first; and if the Senator from West Virginia will ask me his question afterwards, I shall be glad to answer it. Will that be satisfactory to the Senator?

Mr. KILGORE. Mr. President, I might merely observe that the Senator from Nebraska has yielded to Senators on his side of the aisle, but he does not now yield to a Senator on the other side of the aisle.

Mr. WHERRY. Mr. President, if the Senator feels that way about it, I shall be glad to yield.

Mr. KILGORE. I withdraw my request.

Mr. WHERRY. Mr. President, I am speaking in favor of the veterans. If we are going to give aid to the veterans, I think we must put the aid in the hands of the veterans, rather than in the hands of the producers.

If the Senator from West Virginia feels that I have been partial in yielding, I shall be very glad to yield to him now. If not, Mr. President, I should like to continue my statement, and to say for the third or fourth time that I think all of us have a right to express our opinions about production. I am one of those who firmly believe that if we establish prices under which production can be obtained, regardless of whether it is production on the farm or in the forest, whether it is production of lumber or of other commodities, we shall be making the best possible contribution.

Mr. McFARLAND. Mr. President, I suggest that the Senator also include the production of copper.

Mr. WHERRY. Mr. President, of course there are times when there is a scarcity of production of the goods we are talking about—for instance, when too low a ceiling is placed on the price of the goods, and especially when domestic production is interfered with by goods coming from abroad under a reciprocal trade agreement, particularly from countries where lower wage scales exist. That, however, is an entirely different situation, and is not at all comparable with the one we are now considering.

Today we no longer have any tariff to speak of. So now the system has been changed, and today the requirement is that the prices of commodities must include or reflect the labor costs, as well as other costs both at home and abroad.

However, I am not talking about that problem. I am talking about the wholesale production of lumber, food, and various other commodities which can be produced in this country, and with respect to which no difficulty arises because of competition with foreign countries. That is an entirely different matter. Here in the United States we can

produce the lumber and the brick we need. In my own State there are half a dozen brickyards that are closed today. If the OPA had, 6 months ago, granted an increase of \$2.50 a thousand on brick, those brickyards would be operating today; but as conditions now are, they simply cannot operate under the price ceilings which the OPA has fixed.

Yesterday I read to the Senate a letter which was written by the vice president of the Johns-Manville Corp. In his letter he states that his corporation has stopped manufacturing about a dozen different articles, including shingles, which are used in house construction. Why? Because they cannot produce them at a profit, under the prices allowed by the OPA. All Members of the Senate know that to be so.

So if the establishment of a flexible price structure is permitted, it will be possible to obtain the needed production, and then it will not be necessary to pay subsidies in order to help the veterans indirectly. As a matter of fact, in my opinion the subsidies will never get back to the veterans.

Mr. McFARLAND. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Nebraska yield to the Senator from Arizona?

Mr. WHERRY. I yield.

Mr. McFARLAND. When I spoke a few minutes ago, I was not trying to take issue with the Senator.

Mr. WHERRY. I realize that.

Mr. McFARLAND. I simply wished to ask the Senator to help us get a fair price established for copper.

Mr. WHERRY. Mr. President, I will say to the Senator from Arizona that there is no Member of the Senate whom I have tried to help more than I have tried to help him. My first speech in the Senate was made in an effort to help the Senator from Arizona in connection with a bill in which he was interested. As a matter of fact, I received a tremendous number of letters protesting against that action on my part. [Laughter.]

Mr. McFARLAND. Mr. President, perhaps I had better sit down.

Mr. WHERRY. Oh, no; not at all. I wish to help the Senator; and I have the highest regard for him, as he knows.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. OVERTON. Let me inquire whether the amendment would permit the Administrator of Veterans' Affairs to take care of the widows of veterans?

Mr. WHERRY. The Administrator of Veterans' Affairs can take care of the widows of veterans today. Any right which accrues to a veteran can be extended to the widow of a veteran by the Veterans' Administration.

However, if the Senator from Louisiana is able to suggest more appropriate language—and I realize that I am now talking to one of the most able lawyers in the country—

Mr. OVERTON. I thank the Senator.

Mr. WHERRY. If the able Senator from Louisiana can suggest a modification of my amendment by which the

widows of veterans can be better helped, I shall be glad to accept it.

The Veterans' Administration will administer this matter in the same way that it administers any other benefits which veterans receive. So I say that if the Senator from Louisiana is able to suggest more appropriate language—and he knows I have the highest regard for him, and as I have said, he is a distinguished and able lawyer—I shall be glad to accept it as a modification of the amendment.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McFARLAND. First, I wish to say that I agree that an increase in the price of lumber and in the prices of other materials will result in increased production. We have been working for a reasonable increase in prices, and recently there has been an increase in the price of western pine.

Mr. WHERRY. The increase in price has been confined to just one product—western pine.

Mr. McFARLAND. It includes western pine.

Mr. WHERRY. That is correct.

Mr. McFARLAND. There should be other adjustments. However, I wish to ask the Senator whether the adoption of his amendment will result in increased production.

Mr. WHERRY. It will.

Mr. McFARLAND. How?

Mr. WHERRY. I am about to explain that now, if the Senator will permit me to do so.

Mr. McFARLAND. We are talking about production. I think increased production will help the veterans. It will mean more homes for them. So it seems to me that the real question is whether the Senator's amendment will result in increased production.

Mr. WHERRY. It will.

Mr. McFARLAND. Frankly, Mr. President, I have talked to a considerable number of ex-servicemen along the line of the amendment offered by the Senator from Nebraska and they have expressed doubt that it will increase production. Of course, that is what we are trying to accomplish.

Mr. WHERRY. Allow me to ask the distinguished Senator a question. Does he not feel that if flexible prices were allowed in the building industry we would obtain production?

Mr. McFARLAND. When I voted for premium payments I did so because I thought they would be used to stimulate production.

Mr. WHERRY. I understand. I myself believe that most of the Senators who voted for the amendment yesterday did so on the theory that it would stimulate production. But I assert to the distinguished Senator from Arizona, and I can back up my statement by reference to numerous statistics showing production during the past 160 years, that if we remove the restrictions from the backs of producers, and give them merely a bare profit on which to operate, we will have production in a greater volume and at a lower cost than we will ever obtain under a system of incentive payments.

Mr. McFARLAND. I do not like subsidy payments for the building industry, but I recognize that a great emergency exists involving housing for veterans.

Mr. WHERRY. The emergency will continue to be just as urgent, whether lumber is produced by the incentive payment route, or by the profit-motive route. There are those among us who believe that production can be increased by the profit-motive route. I do not wish to quote anyone, but yesterday several Senators wrapped the flag around themselves in protestations of help for the veteran. The proposal I offer would help the veteran by giving him a direct benefit.

Mr. McFARLAND. I believe that every Senator who voted for the subsidy did so because he felt that in so doing he was helping the veteran.

Mr. WHERRY. That may be true, but those of us who did not vote for it felt that we could help the veteran a great deal more by pursuing another course.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. KILGORE. The Senator from Nebraska has used the term "flexible prices." I should like to know what is the proper definition of "flexible prices." I should like to have the Senator give a definition of the term.

Mr. WHERRY. I shall be glad to do so. A flexible price does not mean that ceilings should be removed from the price of building materials. I am merely arguing that the price be a flexible one. "Flexible" is a word which is used by economists, and they define it as a price sufficient to produce a reasonable profit, based on current costs.

Mr. KILGORE. Is it true that under the plan being proposed the profit motive may be no part of a plan to stimulate production?

Mr. WHERRY. That would be up to the Housing Expediter. He would have absolute authority, under the bill, to settle that matter.

Mr. KILGORE. Allow me to cite an example. Let us say there are five automobiles in a certain town, and that 10 persons want to buy them. Six of them have unlimited funds, and the remaining four have limited funds. To give those persons \$100 each would not help them in their purchase of automobiles. The thing that would help them buy automobiles would be to place 10 automobiles in the town so that competition would result in selling them. If we have a flexible price we must have competition in selling the article which producers wish to dispose of.

Mr. WHERRY. I agree with the Senator. If, 6 months ago, we had given the automobile companies a flexible price system so that they could produce automobiles at a profit, even a small profit, we would have 100 automobiles where we now have only one. I happen to know something about that subject. Today we are expecting a dealer in automobiles to sell them for the same price he sold them for in 1942. It is an acknowledged fact that labor costs have increased 40 per-

cent. Only a month ago we gave union labor a considerable increase in the compensation they receive.

Mr. KILGORE. Mr. President, I apologize to the Senator for diverting from the subject at hand and getting onto the subject of automobiles.

Mr. WHERRY. No, Mr. President; the Senator from West Virginia does not need to apologize. He has given the best illustration of which I know. If we had given the automobile companies the right to charge an adequate price for their products there would be many more automobiles in West Virginia than there are today.

Mr. KILGORE. Of course, the first thing we must do in connection with meeting the demand for housing is to obtain steel and other building materials.

Mr. WHERRY. Very well; then let us get back to the subject of lumber.

Mr. KILGORE. I am talking about the housing situation. I am very sincere in my statement, but I believe that the building and ownership of homes can be stimulated if we help the veteran. But merely giving him a small sum of money will not produce for him a house if the number of houses to be constructed is limited.

Mr. WHERRY. Mr. President, the same answer could be made to the Senator's observation as the one which I made with reference to automobiles. Some time ago I spent 2 weeks in Nebraska, and visited a number of small retail lumber yards. Senators would be surprised to know the small stocks of materials now lying in those yards. It is impossible sometimes to prove the existence of black-market operations, but if one will listen to those who are seeking relief from OPA restrictions, one will learn that in States such as Oregon, California, Washington, Idaho, Minnesota, Michigan, and in various sections of the South, a great bulk of the lumber being sold is hauled on trucks and disposed of on the black market.

Mr. MURDOCK. Mr. President, am I correct in understanding that the Senator's amendment is limited to the veteran who wishes to buy a home?

Mr. WHERRY. Oh, no.

Mr. MURDOCK. I am sorry if I misunderstood the Senator.

Mr. WHERRY. The amendment provides—

Mr. MURDOCK. I am sorry that a copy of it is not available to Senators on the floor.

Mr. WHERRY. I submitted it only recently. I shall be glad to let it lie over until tomorrow if the Senator wishes to study it in the meantime. The amendment has been modified to include not only those who wish to buy or build homes, but those who may have purchased homes prior to the enactment of the legislation, and would be entitled to such consideration as veterans of World War II.

Mr. MURDOCK. I know that the Senator does not wish to discriminate against any veteran.

Mr. WHERRY. No.

Mr. MURDOCK. He does not wish to differentiate between this veteran and that veteran.

Mr. WHERRY. No.

Mr. MURDOCK. I believe that the evidence before the committee will bear out my position. I can imagine that there will be millions of veterans in this country who will not want to build or buy homes, but will, nevertheless, need homes in which to live.

Mr. WHERRY. Yes.

Mr. MURDOCK. In all probability, those veterans will rent homes. Under the Senator's amendment, what consideration is to be given to them?

Mr. WHERRY. Let me ask the Senator. What will be done with the veterans under the amendment which was agreed to last night?

Mr. MURDOCK. As I understand, the pending bill contemplates that some veterans will wish to build homes, and that others will wish to buy homes.

Mr. WHERRY. What benefit does such a veteran receive under the bill?

Mr. MURDOCK. Other veterans will wish to rent homes. I am not so sure that the pending bill represents the only remedy, or the best one, but in my opinion, it is the best one that has yet been submitted, and each veteran in the United States will come under the provisions of the bill. If he wishes to rent, it is hoped that under the provisions of the bill an apartment will be made available to him at a reasonable rental.

Mr. WHERRY. Mr. President, there are no provisions in the bill with reference to apartments.

Mr. MURDOCK. Yes; there are.

Mr. WHERRY. Where are they?

Mr. MURDOCK. I know there are no apartment provisions, as such, but there are provisions in the bill, if the Senator will indulge me, which provide for incentive premiums to be paid for the construction of apartments.

Mr. WHERRY. Yes; for the production of materials.

Mr. MURDOCK. Yes; in order to obtain materials.

Mr. WHERRY. And the priorities go into the construction of houses.

Mr. MURDOCK. What the Senator wishes to do is to make every veteran in the United States a victim of some real-estate program.

Mr. WHERRY. Every veteran in the United States is to be required to pay his share of a subsidy which the Senator would give to the producers, whether the veteran wished to build a house or not.

Mr. MURDOCK. I may say, however, that the remaining people in the United States would be included.

Mr. WHERRY. That may be.

Mr. MURDOCK. One hundred and forty million people in the United States would be included.

Mr. WHERRY. I contend that in many ways the veteran will receive no benefit whatever.

Mr. TAYLOR. The Senator said that the veteran receives no benefit. He receives priorities.

Mr. WHERRY. Oh, no. The Senator was not here when I made my statement. If he will listen to me now—

Mr. TAYLOR. I have been here all the time.

Mr. WHERRY. I have stated not only once, but at least half a dozen times—

Mr. TAYLOR. At least that many times.

Mr. WHERRY. Yes; so the Senator should have heard me. I said that the only thing which the veteran receives is a priority. I admit that. If the RECORD does not show it, I should like to have it underscored.

Under the bill the only benefit the veteran gets is a priority. He builds a house, or I build a house. I am not a veteran of this war, so I am not entitled to a priority, but I go out and build a house as a civilian. I pay the same price the veteran pays, he pays the same price I pay, and we all pay the subsidy. What are the veterans receiving except a priority, and if the priorities do not work any better in this case than they have worked as to lumber up to now, the results will be negligible. We have had priorities in force on lumber. The Senator knows that to be so, for he is on the committee. It all goes into the black market, where there can be no priority.

I should like to call attention to the speech of the senior Senator from New Mexico [Mr. HATCH] relative to the priorities that were not observed in the disposal of surplus property. He said the condition was terrible, and he has introduced a bill to see if there cannot be some protection against the black marketing of surplus property, and to see if we cannot somehow provide that the veteran shall get his priority.

We have not any assurance, and I cannot believe, that the incentive premium plan will result in the production of any more lumber, or that it will result in any lumber being taken out of the black market.

Mr. TAYLOR. I can tell the Senator that it would, but I cannot prove it in advance.

Mr. WHERRY. There is no evidence to show that it can be done.

Now let me continue to expound my philosophy of private enterprise, which I think is the thing which has made America great. We never made America great by paying subsidies or paying incentives, and we did not know what black markets were until subsidies were provided, and we have not heard the last of them.

Speaking of incentives, the bill as it passed the House gives the Housing Expediter virtually czarist powers over all new construction. Just think of it, he has more power than Congress ever gave Bowles. Of course, he will not assume as much power as Bowles assumed. The Expediter can control prices on all new houses at every step of their construction. He can control prices of new houses in the first sale and in the resale. He can issue orders.

Listen to what the Housing Expediter can do to make an incentive. He can issue orders or directives to other executive agencies. He can compel OPA to fix a price that will permit the production of lumber. He can direct OPA to make such price adjustments as are necessary, and such price adjustments as would have been made 2 years ago if there had been a desire to bring about heavy production of lumber.

He can give such directives as to stop the exportation to other countries of lumber which our veterans need now. I understand that day before yesterday

an order was issued to cut it 25 percent. He can carry out the billion dollar mortgage insurance program intended to encourage the production of rental houses.

These are only a few of the powers which the Housing Expediter has under the bill, and which he can use to help the veteran get a house.

Think of it! We are asked to give an incentive to the producer under the theory that the producer can thereby produce more quickly and at less cost, and furnish more material, which will be reflected to all the people of the United States.

I may say to the distinguished Senator from Idaho—and I think he must know it to be so—that if we could get a flexible price increase which would permit production at a fair profit on current costs, we would get all the lumber we needed to build these houses. I make that statement based upon authority, because we already have assurance that 1,500,000 houses will be built this year. That is the testimony, that 1,500,000 will be built any way, without any incentive program.

Furthermore, yesterday we provided for a guaranty on prefabricated houses to Mr. Kaiser, or anybody else who wants to build them, up to the number of 200,000, at any time they are in construction. It really means we guarantee 850,000 houses, if we take the explanation of the majority leader as to how the guaranty will be applied, that is, that the Expediter will continue to guarantee 200,000 houses all the time. If there were 200,000 houses and 20,000 were sold, when the 20,000 were sold 20,000 more would be put in the program. So that until the program is completed it is really a floor we guarantee under 850,000 homes of the 1,500,000 houses which the majority leader and the Senator from Ohio say will be built whether we have an incentive program or not.

Just think of that as we hear it said that the producers should be given an incentive so that assistance may be afforded to the veterans if and when they build houses under a veteran's building program. We voted a \$600,000,000 subsidy, and all I am asking the Senate to do is to take the \$600,000,000 and give it to the veteran, let him buy a house, and help him to the extent of 5 percent; that is all.

Mr. TAYLOR. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. TAYLOR. Yet a while ago the Senator voted not to put any ceilings on houses, and then he would give the veteran money to pay any price, clear to the sky.

Mr. WHERRY. Mr. President, if we may have a housing program, if the lumber may be furnished, old houses will go down in price so that they will not bring half what they are selling for today. There is going to be a black market in housing just as there is in building materials if ceilings are put on. Mr. Snyder testified before the committee, and if I recall his words correctly he said it would be almost an impossible task to abolish the black market in the sale of houses if a ceiling is put on. The only way in the world to clean up a black

market is to get production, exactly as in the case of used automobiles. Just as soon as the manufacturers announced the new cars and the new prices, the prices of the old cars were cut in two. Is that not correct?

Mr. TAYLOR. No; it is not.

Mr. WHERRY. It is correct. There is no one who would give half as much for an old Ford as he would have given 6 months ago, because the new cars are just around the corner, and people are going to buy the new cars at a price set by the Administrator. It applies not only to the low-priced cars, but to the high-priced cars; the prices of used automobiles are going down every day. The same thing will happen in regard to houses.

Mr. TAYLOR. I agree with the Senator that the prices will go down, but so far they have not gone down much, if in any degree.

Mr. WHERRY. I have all kinds of testimony to that effect, and the Senator knows it. He is a member of the committee.

As to incentive payments, let me make a further statement. I am sorry the distinguished senior Senator from Michigan is about to leave the Chamber, because I should like very much to have him hear the example I am about to give.

Mr. VANDENBERG. Will the Senator yield?

Mr. WHERRY. I yield.

Mr. VANDENBERG. I have to go and listen to another atomic bomb explode. [Laughter.]

Mr. WHERRY. I should like to say to the distinguished Senator if that is why he is leaving, he has my permission. I only hope the atomic bomb here will go so high and go so far that the Senate of the United States, if it is going to give a subsidy to anybody, will give it to those to whom it should be paid, and not to a group of producers who do not need it. We should give them a price under which they can operate, and which will also make it possible for the Government to collect taxes on their profits—and we are going to need plenty of taxes to pay the \$275,000,000,000 debt which the country owes today.

Of course, Senators will smile when I mention meat, but I shall refer to that subject. Meat incentives did not result in the production of meat. I know something about meat, as does the Senator from Idaho. Does he know how much subsidy we pay on a thousand-pound steer today if it brings \$17.50? Does the Senator know?

Mr. TAYLOR. No.

Mr. WHERRY. We pay \$15.46. We pay that as a premium incentive to get production of meat. I have here a market letter which came in today, which says:

The black market in meat is worse than it has ever been.

By the way, it has been in operation ever since Mr. Vinson gave the directive back in 1943, and it is getting worse every day, and yet, I want Senators to know, we have 10,000,000 more cattle in this country than we had in the 10-year average period before the war. We have so

many cattle we do not know what to do with them.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAYLOR. I saw an article in the paper a few days ago to the effect that some employees of a big packing company were asking for a congressional investigation. They said the big packers were responsible for the meat shortage.

Mr. WHERRY. I should like to say to the distinguished Senator that I have two communications in my pocket from union labor leaders, who are asking that OPA restrictions be taken off entirely from the production of meat because it is destroying their jobs. They do not have jobs.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CAPEHART. I should like to ask the able Senator from Idaho when the packers ever grew any cattle, hogs, or lambs, or ever produced any animals of any kind? All they can do is take what is raised by the farmers and delivered to their plants. Therefore it would be impossible for them to be responsible for the meat shortage.

Mr. WHERRY. Mr. President, let me read from one of these letters—

The black market in meat is worse than it has ever been. Black market profits in cattle now run \$50 a head. Swift & Co. at Fort Worth is laying off its men. Its cattle kill is running 15 percent of normal.

Just think of it, 15 percent of normal.

The new cattle rustlers grab the rest, slaughter them in dirty barns, and the profits, of course, pay no taxes.

In Kansas Swift, Armour, Wilson, Cudahy, and Morrell are said to have reduced their operations by 80 percent.

Just think of it, 80 percent of their normal kill. Why?

OPA can't force them to lose \$15 a head forever. Government officials estimate that noninspected black-market meat has tripled since last fall.

The Senator well knows that whereas there were 4,000 packers in the United States before the war, the number has now increased to more than 24,000. Many of those do not even expect to collect their subsidies because they sell their meat on the black market.

My reason for mentioning this is that it is the result of incentive payments. If the OPA would open up the market as it should have done—the Senator from Wyoming [Mr. ROBERTSON] knows about it, as he is familiar with meat production—if OPA had opened up the price in 1943 and permitted us to produce we would have furnished at reasonable prices all the meat we needed and need now, and our people would not have had to buy their meat in the black market, which has been the result. That is what has happened in the great meat industry.

Now we are asked to apply the same treatment to the lumber industry. That is exactly what will happen. We simply cannot get production by the incentive route. When we start restricting, start licensing, start dealing out assistance

here and there, then we play favorites, and the first thing we know we get a black market. There will be more black markets in lumber than we have ever had if this incentive program goes through. That is the testimony of those in the business, whose who know what they are talking about.

Senators might say it is inflationary. If it is inflationary to give the veterans 5 percent directly it is just as inflationary to give the producer \$600,000,000 by way of incentive payments. What is the difference? The one is just like the other. It is too late now to say that this thing cannot be done because it is inflationary. The Senate has already voted to provide \$600,000,000 by way of incentive payments. Let me tell you, Mr. President, that if the \$600,000,000 does not do the job we will have a deficiency bill in the Senate in 6 months providing for an additional \$600,000,000, and if that further sum does not do the job there will be another deficiency bill calling for the appropriation of \$600,000,000 more, because we are never going to let these veterans down.

Mr. President, no one knows whether this program is going to cost \$600,000,000 or \$6,000,000,000. The foot has been placed in the door, and we have to make good on the program. If it is inflationary to give the money directly to the veteran, it is inflationary to give it to the producer. There is no difference between the two methods. One is the same as the other. As I said, we have already voted \$600,000,000, merely to begin this program.

The history of subsidies is that Congress has never appropriated sufficient money in the first instance. Consider the food subsidy. I shall never forget the address delivered by the Senator from Georgia [Mr. GEORGE] when we elected to go the subsidy route. I ask Senators to read that speech. What he said in that speech has come true today. He made it back in 1943. It is one of the finest speeches I have ever heard delivered. Once we elect to go this route, we cannot stop. If the first \$600,000,000 appropriated does not do the job, another \$600,000,000 will have to be appropriated. No one can say that \$600,000,000 will do the job. If it is inflationary to make a direct payment to the veteran, it is also inflationary to give the producer the incentive subsidy.

— Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAWKES. I want to accentuate the truth of everything the Senator from Nebraska is saying concerning subsidies. I have had a way for a great many years of saying that one subsidy leads to another subsidy, and the other subsidy leads to still another subsidy, and the whole thing leads to socialism.

Mr. WHERRY. That is correct.

Mr. HAWKES. The Senator said that it was not the subsidy process that was followed in the building of America. I will say that if such a process had been followed, we would not have had our America; America would not have existed at all. I shall have considerable to

say about the subject of subsidies some of these days, and about the trend of America toward socialism, and what it means.

The Senator just made a statement that we were not going to let the veterans down; that we would vote \$600,000,000, and then vote another \$600,000,000, and then vote another \$600,000,000. The Senator is a veteran; he is an American; is he not?

Mr. WHERRY. Yes.

Mr. HAWKES. Does he not have an interest in the United States of America?

Mr. WHERRY. Yes.

Mr. HAWKES. Did he not think he was fighting the war to preserve the American way of making a living?

Mr. WHERRY. Yes.

Mr. HAWKES. Then, would he not be let down if we destroy the foundation of the thing he thought he was fighting to preserve?

Mr. WHERRY. Yes.

Mr. HAWKES. I want to say to the Senator that unless we watch out and are careful of what we do with the veterans' money; if we do not give him any benefits when we throw this money out in the street the way we are doing, then we are letting him down. The Senator and I are in favor of giving the veteran a square deal. The Senator and I know that there is no way that we can ever repay the American soldier who has gone abroad and fought in this war. There is no way of repaying him, but we want to do an honest job and give him a square deal in trying to help him obtain a home and help him out of his difficulty. We want to help him back on his feet as a great American citizen.

Mr. WHERRY. I thank the distinguished Senator from New Jersey for his contribution. I know how deeply he feels about the philosophy he so ably expounds. I trust he will not delay too long making the speech he proposes to make on subsidies. If there were ever a time when we needed such a speech it is now.

Mr. President, I have voted against subsidies because I do not believe in them, and the Senator knows it. Be we have already provided \$600,000,000 in this bill. Instead of giving it to the veteran, we are giving it to the producer. If what we do runs true to the history of everything else we have done, it will not help the veteran; it will help only the producer. It will not get back to the veteran. Oh, yes, Senators will stand on the floor and say, "It will result in holding prices down." But such action has not resulted in holding prices down in connection with any other industry that I know of, and it will not do it with respect to lumber.

Mr. President, I wish to say in all sincerity, and with no animosity toward anyone, nor do I quarrel with those who believe in the other system—and if they want to vote the amendment down, that is their privilege—but I want to say to my Legion friends and to those whom I represent in my home State that I think this bill is a misnomer. I do not feel that it provides a subsidy to the veteran at all. It does not give him an advantage over anyone else. I can build a house just as cheaply as a veteran can under this bill. The only advantage he has over me is that of priority, as was brought

out by the distinguished Senator from Idaho [Mr. TAYLOR]. I agree with him on that.

I wish to say that if we can get production by the profit motive route we will not have to worry about allocations, we will not have to worry about priorities. We will get the lumber, we will get the brick, we will get the pipes if we will give the producers a chance to produce at a profit. I make that statement after 2 years of intense study, and after attending meeting after meeting of the Small Business Committee, of which the able Senator from Montana [Mr. MURRAY] is chairman, and the distinguished Senator from Idaho [Mr. TAYLOR] is a member. He knows from the reams of testimony that have been taken in that committee, not only in respect to lumber, but in respect to other industries, that the trouble we have encountered at the very outset has been due to price impediments. I think it is not an exaggeration to say that nine times out of ten the trouble is the matter of price. What is the difference whether we obtain production by proper pricing or giving an incentive payment? We will all have to pay the bill. One method is just as inflationary as the other. But in this particular case we give the veteran who has bought or built a house a break if we use the direct payment method. The veteran does not have to go to an administrative agency, because the money is his. He can apply it on the purchase of the house or in building the house. What is unfair about that? If the bill is passed in that form it will provide a direct subsidy to the veteran. If we are to go the subsidy route, let us give the money to the veteran himself and not to some producer who will not reflect it back in the price of his material.

Under the bill the Housing Expediter has absolute authority. He is a czar. He can do as he pleases. He can set the prices. He can raise them. He can lower them. He can do anything he wants to do to create an incentive to obtain production. So why are we giving the incentive to the producer? If there is to be a subsidy at all, let us give it to the veteran who needs it, who has earned it.

Mr. HAWKES. Mr. President, will the Senator yield for a moment?

Mr. WHERRY. Yes.

Mr. HAWKES. I want to emphasize the point we have been making, the validity of which a number of Senators have questioned. They say that the bonus arrangement, or the payment of 5 percent to the veteran, discriminates against the veteran who does not buy a house right now, or against the veteran who might not be interested in buying one. I want to emphasize the fact that so far as I can see, it does not discriminate in any different degree than the bill as it stands discriminates.

With respect to one little privilege contained in the bill as it stands, which gives the veteran 60 days in which to buy a house and 30 days in which to rent it, a veteran will have to be pretty quick on his feet to take advantage of that provision.

Mr. WHERRY. That is correct.

Mr. HAWKES. And I can conceive of thousands of veterans losing the oppor-

tunity because they have not been quick enough on their feet. Therefore we are subsidizing industry to give opportunities to other people than veterans to buy houses.

Mr. WHERRY. Mr. President, I thank the Senator from New Jersey for his contribution.

I am sorry I have imposed upon the time of the Senate as long as I have. I am sincere in what I say about the amendment. It is offered with the best of motive. If the Senate decides not to give the direct subsidies, very well. Every Senator has the right to do as he pleases. But I am sincere about the matter. I have not offered the amendment, as suggested by the Senator from Florida, as a crippling amendment, because the measure already carries \$600,000,000. It is merely a question of whether we want to give the money to the veteran or to the producer. I feel that if we should give any subsidy at all it should go to the veteran. That is one side of the question. Senators can eliminate the whole subsidy, and if the Housing Expediter will give us price ceilings under which we can operate at a profit we will obtain the lumber. The \$600,000,000 has been tied in with the other provisions of the bill. That is why I am offering the amendment.

Mr. President, in conclusion I wish to say that in my opinion, if we continue the \$600,000,000 subsidy provided by this bill until December 1947, we shall absolutely have guaranteed the extension of OPA. If Senators want to extend OPA, very well. If they wish to extend it for a shorter period of time than the House has done, very well. But the Housing Expediter will use the OPA to enforce the provisions of this bill, and if we vote a continuation of the \$600,000,000 subsidy until December 1947, we in reality put our stamp of approval indirectly on OPA. Senators can take issue with that statement, but I think it is true. That subject is brought up in connection with this bill, and just as sure as that I stand here, when extension of the OPA comes before us we will hear it said, "We need OPA because we have to have OPA in connection with this veterans' housing proposition." Some may say, "It has no place here." OPA is in the bill. It is the agency which enforces prices. It is the agency to which the Expediter gives his orders. If we pass this bill as it is it will mean the extension of OPA.

Mr. President, I ask for a yea-and-nay vote on the amendment.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I yield.

Mr. MORSE. I am sorry that I did not hear all of the Senator's speech. The point which is troubling me is that the bill as it now stands does not contain any ceiling on old houses. I am sure that the Senator from Nebraska will agree with me that a great many veterans are being gouged today by the prices which they are forced to pay for houses, prices which are out of all relation to their true value. Sooner or later those veterans will have to hold the sack for the exorbitant prices which they have had to pay for old houses. Without a ceiling on old houses, and with the adoption of the

\$500 figure which the Senator suggests—and for which I would vote if there were a ceiling on old houses—would not one of the effects of the amendment be that the speculators would see to it that the veteran was “soaked” another \$500 by an increase in the price, because he must have a house? The speculator would know that the veteran had an additional \$500 to sink into a house which was not worth the price he was asking.

Mr. WHERRY. That criticism is a very just one. But the veteran is not compelled to buy an old house. My provision would give him the money to use in building a new house. Materials are to be allocated by the Expediter, and the veteran can always build a new house. That should be the guide, and will be the guide, as to whether a veteran pays an exorbitant price for an old house.

Secondly, \$500 is the maximum amount. It was contended yesterday that the saving which would be made to the veteran would be approximately 5 percent, or \$300 on a \$6,000 house. It was stated that the program provided for the construction of houses costing as much as \$10,000. My amendment does not provide that the veteran shall receive \$500. He will receive 5 percent of the purchase price or the construction cost of a house costing up to \$10,000. Five hundred dollars would be the maximum. If a veteran wished to buy a house the price of which was exorbitant, he could always build a house, under the terms of the bill. There is no provision for one who wishes to buy an existing house. Many veterans would like to buy existing houses which are decently priced—perhaps from some friend or relative. A veteran may not wish to wait and build a house. He should not be precluded from buying an existing house. Certainly the veteran would have all the advantages. He would not pay an exorbitant price for an old wreck of a house, in view of the fact that he could always build a new house.

Mr. MORSE. I thank the Senator. I think I understand his point of view.

Mr. WHERRY. The Senator's criticism is a good one.

I should like to say something else to the distinguished Senator from Oregon. I have received many communications from writers in his section of the country asking that flexible prices be established. There is no ulterior motive in my philosophy. I feel that the Housing Expediter, who would be given the authority of a czar, could set prices which would give us production immediately. If we wait until the incentive-payment plan is put into effect, to be based upon what a manufacturer did during a certain base period, and until every manufacturer has been granted a vertical increase, it will be next December before we can start the construction of houses. It is an impossible task. If the Expediter could agree upon a flexible price system so that mills in Oregon could produce at a profit, the distinguished Senator knows as well as I do that such a plan would give us immediate production. If we can get production, it will do more to remove the pressure of high prices for old houses than anything I know of.

Mr. MORSE. I thank the Senator. I merely wish to make this comment: Without the ceiling to protect the veteran, with the short supply of housing accommodations for him, and with what will be interpreted as an additional \$500 in his pocket, the way the law of supply and demand will operate, I think we shall see prices go up enough to absorb the \$500. There is danger that the veteran will not gain a single dollar of benefit without a ceiling.

Mr. WHERRY. I think the Senator has a perfect right to his opinion.

Mr. TAFT. Mr. President, there may be a very legitimate dispute as to the effectiveness of premium payments in order to obtain production; but I cannot see any argument for the amendment proposed by the Senator from Nebraska. It is proposed to give any veteran who wishes to buy a house \$500—

Mr. WHERRY. Mr. President, that figure has been used—

Mr. TAFT. Five percent of the cost, not to exceed \$500.

Mr. WHERRY. That is correct; and he would receive \$500 only in the case of the purchase or construction of a \$10,000 house.

Mr. TAFT. Let me suggest what any veteran could do. He could build a \$10,000 house and sell it the next day for \$10,000, and make \$500.

Mr. WHERRY. The amendment provides that he must live in the house and own it himself.

Mr. TAFT. He could sell it after a while. The Senator is not proposing to prevent him from selling it. He could not do so, and he should not.

Mr. WHERRY. Certainly not, after he has built it.

Mr. TAFT. In that connection—

Mr. WHERRY. Mr. President—

Mr. TAFT. Mr. President, I do not yield to the Senator. I listened to him with interest for more than an hour without interrupting. I shall be glad to yield at the conclusion of my remarks; but I do not wish to get into a running controversy.

Mr. WHERRY. The Senator should not misquote me.

Mr. TAFT. The whole problem of offering subsidized houses by paying \$500 or \$250 toward construction was considered by our committee, and we found that it was a wholly impracticable idea. In effect, it makes a present to the veteran to whom it is given. Sooner or later he could sell the house. A group of veterans could be organized to do the same thing, if it were desired to do so. In effect, we would be giving him a house at less than the normal market price of the house.

Furthermore, the great bulk of veterans do not wish to buy houses. During the next 5 years most veterans will live in rented houses if they can possibly obtain them.

The bill provides a very effective means for builders to construct houses under 90-percent mortgages from the FHA. The FHA is now making contracts with builders to give them priorities, if the builders will agree that they will hold a certain number of houses for 2 or 3 years and rent them instead of selling them. Vet-

erans who rent such houses would be wholly excluded from the bonus. The veteran who wished to rent would not receive anything. The veteran who wished to buy a house would receive a maximum of \$500. Many veterans perhaps neither need to buy nor rent, and they would not receive anything. If we are to make a payment of \$500 to veterans because they are veterans, we had better give a bonus of \$500 to all veterans. Then we can accomplish the purpose of helping the veterans.

I do not defend some of the publicity on this bill. So far as I am concerned, I voted in committee on the bill itself. The bill does not emphasize the veterans' feature. The title does not emphasize it. The first paragraph of the bill, even though we give certain priorities to veterans, does not emphasize the veterans' feature. The first sentence of the bill is as follows:

The long-term housing shortage and the war have combined to create an unprecedented emergency shortage of housing, particularly for veterans of World War II and their families.

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BROOKS. The Senator stated that the title of the bill does not refer to veterans. The distinguished majority leader [Mr. BARKLEY] in advocating the bill, stated that it was proposed to change the title, so that the act could be cited as the Veterans' Emergency Housing Act of 1946.

Mr. TAFT. I do not find that in the title.

Mr. BROOKS. The amendment of the title is found on page 42; and on page 19, line 21, we find the following:

That this act may be cited as the “Veterans' Emergency Housing Act of 1946.”

I think that should be stricken from the bill.

Mr. TAFT. I agree. I do not believe that that is a proper title for the bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. The only way we can benefit the veterans is to provide more housing. Any bill which would provide more housing would benefit the veteran, primarily. Aside from the veterans, there is no very large group of people without housing. If a person who now occupies a house moves out and builds another house, the chances are that the house which he vacates will then be available to a veteran. The shortage of housing relates to veterans, and the only way to meet that shortage is to produce more materials. There is no other way. Selling at a cheaper price may be an incident in the whole process; but the main purpose is to produce more materials.

I fully agree with much of what the Senator from Nebraska [Mr. WHERRY] has said. I fully agree that the shortage of materials today is largely due to the OPA. I fully agree that the problem cannot be solved without a substantial change in the present prices prescribed by OPA for building materials, and particularly for lumber.

Furthermore, I call attention to the fact that premium payments are only incidental, because it has been made clear that 70 percent of the building materials must be handled without premium payments. As to that 70 percent, price adjustment is the only remedy given to the Housing Expediter. That is recognized, and the Housing Expediter recognizes that that is the main tool which will have to be used to obtain building materials. I cannot make the statement with complete certainty, but I believe that he realizes that the lumber situation is one which cannot be handled by premium payments. It is probably the most difficult situation in the building material field. I do not see how premium payments could be applied in that industry. Lumber falls within the class of 70 percent of building materials which will have to be handled by price adjustments.

In my opinion, premium payments are not subsidies. So far as the continuation of food subsidies is concerned, I shall vote against it, because food subsidies are merely a provision for shifting the cost from the consumer to the taxpayer. Under this bill premium payments may be applied only on increased production. They may be used only in particular cases in which that kind of payment is calculated by the Expediter to increase production. That is the purpose. If unwisely used, they will not be effective. However, I feel that if wisely used, if used in the proper places, to break bottlenecks, they will provide an incentive for increased production, which a mere increase in prices would not do.

Furthermore, if they are effectively used, they can be used to prevent as high a price increase as might otherwise occur in some fields. We might have to allow a very high price increase temporarily to act as a stimulator of production. I believe that premium payments, applied to only a part of the production of an industry, and by uniform rules so that there will be no favoritism, may successfully increase production and break some serious bottlenecks in the production of materials.

I myself cannot see that the mere fact that something is called a subsidy makes it desirable. We may call it names, but that will not mean anything. For years we paid subsidies to the farmers. We paid subsidies to the merchant marine. We paid subsidies in many fields of operation. I never liked to do it. I certainly do not approve of a subsidy like the meat subsidy, under which we simply pay out \$720,000,000 and thereby reduce the consumer's bills by that amount, but add that amount to the burden on the taxpayers. That is a general across-the-board subsidy which I think is wholly unjustified.

But when we consider subsidies for the purpose of securing production and which incidentally may do away with the rapid increase in the price of houses which is occurring today, and which under the proposal of the Senator from Nebraska and under my own will have to continue, because we shall have to increase the cost of many building materials, it seems to me that if we can check that process somewhat by the use of premium payments, that is worth doing.

However, that is not the primary object of the pending bill. The primary purpose is to obtain greater production. We shall not obtain one more stick of lumber or one more house by adopting the amendment offered by the Senator from Nebraska.

Mr. BARKLEY. Mr. President, I do not wish to delay a vote on the amendment, and I shall not do so, because all of us hope to have the bill passed today.

Let me say that the Senator from Nebraska seems to feel that in some way the bill would break down private enterprise. However, under the bill the Government of the United States will not go into the business of producing building materials. All the bill will do will be to offer to private enterprise an inducement to increase its output of such materials. That is all the bill will do. There is no trend toward socialism or any other "ism." The bill is simply an effort to stimulate production by offering premium payments for the part of production which represents an increase.

Mr. HAWKES. Mr. President, will the distinguished Senator from Kentucky yield to me for a moment?

Mr. BARKLEY. I yield.

Mr. HAWKES. When we delegate such vast authority and power to one man—giving him the power to say where the incentive payments shall be made, how they shall be made, and when they shall be made—and when we also delegate the authority to do all the many other things in connection with the houses after they are built, does not the Senator think that we shall have the Government running private enterprise and throttling it rather closely?

Mr. BARKLEY. No; I do not.

Mr. HAWKES. Mr. President, I must differ with the distinguished Senator from Kentucky, for whom I have a very high regard. I do not believe that we can go much further in respect to delegating authority to regulate and control, the way we have been doing, if we in the United States are to continue to have the American system.

Mr. BARKLEY. That could be the subject of a long argument between the Senator from New Jersey and me. But I think that we are now confronted with such a situation that we must provide some authority, unless we wish to permit it to get out of hand and run away. I do not think even the Senator from New Jersey favors that.

Mr. HAWKES. Mr. President, let me ask the Senator from Kentucky if he had any particular purpose in using the word "even" in his last sentence. It might be construed in a rather unfortunate way.

Mr. BARKLEY. No; I had not.

Mr. HAWKES. I thank the Senator very much.

Mr. BARKLEY. Mr. President, I have, as I am sure all Senators realize, the highest respect for the Senator from New Jersey. It may be that the word "even," as used by me, connoted that the Senator from New Jersey leans a little further against any Government regulation than I do.

Mr. HAWKES. I thank the Senator.

Mr. BARKLEY. Mr. President, it may be that sooner or later we shall have to

consider the question of a bonus for the ex-servicemen of World War II. We paid bonuses to veterans of the First World War. I voted for that bonus, and I have never apologized for doing so.

I hope that when we have all the facts before us and when we have an opportunity to consult with veterans and to understand their views about legislation for their benefit, we may work out a sound, well-considered piece of legislation for that purpose. But it certainly seems to me that this haphazard, jumped-up way, under the amendment now before the Senate, of paying a bonus to veterans is not the proper way to proceed.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. The Senator from Kentucky has referred to the "haphazard, jumped-up way" under the pending amendment. I should like to say that we have only now had an opportunity to offer the amendment. I know it is not perfect; but I remember that the Senator from Kentucky himself had to modify his own bill four or five times before he could get it before the Senate in the proper form.

It may be that the amendment is not perfect, but it is one way of doing what is right. If the amendment, as presented, is adopted and taken to conference, it will be possible for the conferees to write it in a better form than the one in which I have been able to submit it.

Mr. BARKLEY. Mr. President, the committee held hearings on the bill, but at the hearings no one came forward with such an amendment. An amendment of this sort was offered in the House of Representatives, but it was overwhelmingly defeated there.

Mr. WHERRY. Mr. President, will the Senator yield to me again?

Mr. BARKLEY. I yield this time.

Mr. WHERRY. I understood the Senator from Ohio to say that an amendment similar to the pending one was presented to the Banking and Currency Committee.

Mr. TAFT. I do not think I said so.

Mr. WHERRY. I understood the Senator from Ohio to say that.

Mr. TAFT. No; I do not think so.

Mr. BARKLEY. No, Mr. President; the Senator from Ohio did not make such a statement. If he had, he would have been mistaken.

Mr. WHERRY. Very well. I do not know; I am not a member of the committee.

Mr. BARKLEY. Mr. President, I wish to conclude rather quickly. This amendment would give a bonus to the veteran who could get a house, but it would give nothing to a veteran who could not get a house. A veteran who had to rent an apartment for himself and his wife and children would receive nothing; he would not be recognized as having any need.

When we pay a bonus to the soldiers—and I am quite satisfied that I shall be advocating paying them a bonus when we have had sufficient time to work out the matter, as I indicated a moment ago—I wish to treat all of them alike. I wish to put all of them on the same basis. I do not wish to pick out a few who are

to be favored simply because they are in a position to buy a house, and to favor no others, no matter where they fought or whether they were wounded or what their condition may be.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. TAFT. I may also point out that the veterans represent a cross-section of the people of the United States. Only about half of them are in a position to buy new houses at present prices, even with the proposed 5-percent deduction or subsidy. So we would be paying a subsidy to the top half of the veterans, but we would be excluding the bottom half of the veterans, because they are not in a position to buy a house and to pay the charges incident to living in it. Perhaps they could buy a house on credit, but they would be forced to sell it in a short time.

Mr. BARKLEY. Undoubtedly that is true. I also agree with the Senator from Ohio and the Senator from Oregon [Mr. MORSE] that whenever it became known that the 5 percent was to be allowed to veterans in connection with purchasing houses, the prices of the houses to the veterans would go up 5 percent. If a veteran contemplated buying a \$10,000 house, the price would go up \$500. The veteran might or might not know it, but the increase would be there. The situation would be very much like that in connection with the expense account of a traveling salesman who had been on a long business trip. When he returned from the trip he submitted his expense account. On examining the account, the company's auditor found that there was an item of \$27.50 for a raincoat which the salesman had bought when he was on the trip. The auditor said to him, "Well, we cannot allow you for that raincoat. That is your own personal property."

The salesman replied, "Well, if I had not been traveling for the company, I would not have needed the raincoat and I would not have had to buy it. But I had to buy it, and I think it should go into my expense account."

But the auditor would not allow it, and he struck that item from the account.

At the end of the next month the salesman returned from another trip which he had been making for the company, and again he submitted his expense account. When the auditor looked over that one, he said to the salesman, "Well, I see that you don't have the raincoat in there now."

The salesman replied, "Yes, it is in there, but you can't see it."

So, Mr. President, that is what will happen in this case. An additional 5 percent will be included in the price of the house, but the veteran will not be able to see it.

Mr. President, I hope the amendment will be rejected.

Mr. CORDON. Mr. President, the distinguished Senator from Ohio [Mr. TAFT] in discussing the pending measure either yesterday or the day before said, as I recall, that in the testimony before the committee Mr. Wyatt made it clear that very little, if any, of the \$600,000,000 to be made available for premium pay-

ments would be used to obtain an increased production of lumber. I believe that is the substance of his statement. I do not know what percentage of the houses to be built within the next year or two will be constructed of lumber, but my guess is that of the 4-, 5-, and 6-room homes which will be constructed during that period, and which are so desperately needed, perhaps 75 percent will be constructed of lumber. At the moment, the materials needed for the construction of walls, floors, and roofs, are the most essential. Hardware could come along 2 or 3 months from now and not be too tardy. That statement would be true also with respect to fixtures. So far as I know, the manufacturers of plumbing, hardware, nails, and so forth, need to do little or no reconversion in order to get into high gear in the manufacture of that type of material. The Reconversion Act was passed for the purpose of speeding the process of reconversion. Certainly, if a reasonable price is allowed to manufacturers, they will go into full production. I do not believe that any manufacturer is deliberately withholding production.

I am not as familiar, Mr. President, with the situation with respect to the field of hardware, plumbing fixtures, and similar articles, as I am with the situation in connection with the field of lumber. Because I come from the greatest lumber-producing State in the United States, I know something about lumber conditions. I apprehend that the conditions which face the lumber operators are very much the same as those which face other industries whose products are necessary in connection with the construction of housing.

Mr. President, I do not wish unduly to delay the vote which is about to be taken. On the other hand, the people of this country have been complaining about the lack of production. They have laid the blame here and have laid it there. I believe that perhaps a clarification of the situation will not be out of order this afternoon, even if it consumes a little extra time of the Senate. Therefore, I shall read a letter from one of the large lumber operators in the Pacific Northwest. He is one of that high type of businessmen who patriotically went through the war and, in numerous instances, produced articles in their mills at a loss, but will not go forward on that basis any longer. Because his letter clearly pictures the situation which faces us today, I ask my colleagues to indulge me while I read it to them, and reveal some of the real basic reasons for the absence of 100 percent production at the present time.

The letter was addressed to one of the customers of this lumber operator. He had called upon the operator to fill certain orders for housing materials. The letter otherwise is self-explanatory. It reads as follows:

DEAR WALES: Your concern as to our increasing inability to supply you and your trade with all the items of lumber and lumber products you formerly depended upon us for is well founded. Unless OPA either is thrown out or very quickly brings about a complete reversal of their destructive policies, the list of items that we are making is going to decline still further.

Mr. President, I interpolate that if the writer had stopped with the words "destructive policies," I would not now be reading the letter. I continue reading:

As you saw for yourself, we have a lot of idle equipment at our plant.

Again, Mr. President, I interrupt the reading of the letter to say that it was written on April 4, 1946, at a time when there existed the necessity for full production.

I continue reading:

As you saw for yourself, we have a lot of idle equipment at our plant. We have always refined a larger portion of our sawmill production than most western pine mills. We have provided more labor per unit of sawmill production as a result. The equipment that is now idle represents over 100 jobs. If these jobs were marginal we could have no complaint. The thing that irritates us most is that the jobs we are not filling are being filled in other parts of the country at a higher cost to the consumer and, what is even more important, by the waste of scarce and urgently needed lumber. OPA policies are directly responsible for this.

Among the items we can no longer make are the following:

Building lath, car strips, shade roller stock, cut stock, moldings, industrial boxes of all kinds, as well as a number of operations such as lumber resawing, Linderman, jointing for boxes, box nailers, box stitchers, etc.

We are no longer functioning to care for the needs of the trade—we are merely shadow-boxing and forced to change our scheme of operation from time to time to meet changes in OPA needs. For a firm who has really served the trade this is an unfortunate change for the national economy, which needs production so urgently now.

Among the items discontinued that you are probably most interested in are moldings for the building trade. Unfortunately for both you and ourselves, the OPA seems even less interested in molding production than in most items.

For about 15 years we produced a wide variety of moldings, most of which were for the building trade. We kept this department operating despite constant needless operating and sales handicaps imposed by the OPA. A recitation of all of them would make a lot of red faces in Washington.

Finally, during November 1945, we were forced to suspend operation to cut off the loss. On November 16, 1945, the OPA published MPR No. 601, which resulted in lower molding prices for us than we had had in the so-called base period of October 1941–March 1942. This list was published the same week that we had an increase in wage rates of 12½ cents per hour. This department was already operating "in the red" before the simultaneous cut in prices and increase in wages.

In the fall of 1941, our average wage rate for our entire operation was 90 cents—now it is 126 cents, an increase of 36 cents or 40 percent. We were making no such profit on moldings in 1941 that we could absorb such a wage rate increase with resulting wartime decreased production per man-hour, and then take a cut in selling prices at the same time.

If you were to discuss this with OPA officials, they probably would tell you that the changes were made only after long discussions with the industry. They probably will not tell you that every change they made in the molding prices shut off some more production and was made over the opposition of the industry.

During the first 9 months of 1945, monthly sales of moldings by Western Pine Association members were 60 percent below the same 1941 months. Since then, our production

has been stopped and I don't know how many others.

Our molding production for many years was about eighteen to twenty million lineal feet, mostly building moldings. This would provide needed moldings for several thousand GI homes that are being talked about so much these days.

Our moldings were made entirely from lumber and edgings of our own production. The lumber grade most largely used is "molding" grade. The edgings, which represent probably one-third of our raw material, actually are salvaged from waste. A goodly portion of this waste is now being burned. This is a fine tribute to OPA business management. The moldings that we are not now making are being made from higher grades of lumber.

We are piling up our molding grade lumber and salvaging the larger edging for use after the OPA may be out of business or may have changed their pricing approach. That won't help build GI homes in the spring of 1946.

Your suggestion that some pictures be taken to illustrate some of these things more effectively than repeated letters is certainly timely. I am happy to hand you herewith a few sets of these pictures.

Mr. President, any of my colleagues who desire to see the pictures I shall be happy to have do so.

Picture No. 1 is view of the interior of one of our sheds that is about half filled with molding lumber and edgings. This shed is about 175 feet long. It now has over a half million board feet of lumber and edgings. The edgings are ripped to size, all ready to be run to pattern.

No. 2 is a close-up of several loads of edgings.

No. 3 shows our three idle—

I call attention to the word "idle"—

No. 3 shows our three idle molding machines. About 16 American citizens formerly were employed here at wages well over the national average.

No. 4 shows smaller edgings being fed into a hog where they are being ground up to make fuel, the need of which is not very great and certainly much less than the small moldings that could be produced, such as screen moldings, glass bead moldings, etc.

At the time the OPA was about to publish the molding price list last November, I was in Washington. I discussed this matter with OPA representatives both before and after publication of the list. Among the OPA personnel who listened more or less patiently were Messrs. Ingram, Young, and Grossman.

Mr. President, I hope Mr. Wyatt will read this letter in the RECORD when he gets ready to put out his directives, orders, and regulations, because OPA is certainly going to need them.

Since then, I have written Mr. Ingram twice on the matter and Mr. Young once. I have not even had an acknowledgment of those letters, despite having asked for information as to how we should go about making application for price adjustments in line with President Truman's public statement that any manufacturer who had had wage advances of 33 percent since January 1941, could apply for an increase.

Mr. President, that means, if I may again interpolate, that this man was trying to get a basis upon which he could manufacture those products. Up to now he has not had the courtesy of an answer to his request as to how he might proceed.

In going to OPA for price adjustments—and we have done it many times—their reply invariably is either (a) submit your cost and

profit-and-loss statements for many years to demonstrate whether your over-all profit position justifies an increase, or (b) make an industry-wide survey on the same statements.

OPA policy for integrated operations such as ours provides that, if we make a profit on the manufacture and sale of our lumber, we should not be allowed to make a profit on any refining of it. Why should we be forced to operate our molding department, for example, at cost or at a loss? The profit incentive is one of the very fundamentals of the American way of life. We feel no more obligation to run this department without a profit than a bureaucrat does to work without salary. By the same token, we feel no more obligation to run it at a loss than any bureaucrat does to pay for the privilege of working.

In the past we have participated in some industry-wide surveys. We shall not do it again. Such a survey takes the more profitable figures of the producer who has black marketed, cheated, chiseled, and taken every advantage of any loophole that has presented itself and averages them with the less profitable figures of the manufacturer who has conscientiously complied with the conflicting socialistic pricing regulations. The resulting "average" is fair neither to producers nor the public.

A comparison of our past and present molding prices follows. The item used as an example is pattern No. 8065, $\frac{3}{4}$ by $\frac{3}{4}$ inch, quarter-round molding, an item needed literally by the hundreds of million lineal feet. The prices are per 100 lineal feet delivered on the Atlantic coast.

Mr. President, these figures are eloquent:

Our price in August 1941, straight or mixed cars. 74 cents.

Our price in March 1942, 70 cents.

OPA MPR 601 price in straight cars, 67 cents * * * in mixed cars with lumber, 71 cents.

Can there be any question, Mr. President as to why we are not getting production, in view of those facts—in view of the fact that the timber itself has risen in price—increased because the Government of the United States increased the price of publicly owned stumpage? That price went up, wages have risen, other costs have risen, but the price of the finished product has gone down. Would it not be a beautiful picture now to ask Mr. Wyatt to dig down into the pockets of the taxpayers of this country and make a premium payment to bring that price into line? Where has reason gone if we are to follow that sort of practice?

Mr. President, the letter continues:

After closing our molding department, we contacted many of our eastern trade to ascertain if they could now buy moldings elsewhere, and, if so, what prices they were paying. With few exceptions, they replied that they were obtaining some poorly manufactured, locally produced moldings and were paying \$1.50. One stated he was making them himself at a cost of over \$2. Others stated they could find none at any price.

We would be happy to resume molding manufacture on present lumber and wage values with a price on the above item of 95 cents, with other items in proportion. That would be a substantial "bulge" in the price line but it would represent a very worth while saving to the GI who wants to build a home. Further, it would produce a lot more moldings than will ever be produced at \$1.50 in the East.

I have often thought that if we could persuade some responsible policy-making offi-

cial of the OPA to visit our plant, see this idle equipment, inspect the offal being burned instead of converted into needed GI homes and other items, and let us show him just why it is idle, we could convince him that a change was needed and quickly. If you should run into any such official who is interested let me know who he is. I want to extend him an invitation to visit us.

There, Mr. President, is clearly set out the real outstanding bottleneck in the production of materials needed in housing, and, as I suggested earlier, when the pending bill passes giving authority to the Housing Expediter to issue his orders, regulations or directives to the Office of Economic Stabilization and the Office of Price Administration, that bottleneck can be broken immediately.

It will result in some price increases, it is true. Those price increases as to the veteran will be offset by the subsidy we will pay him if the Wherry amendment shall be adopted—and I hope it will be agreed to; at least I shall support it. It will leave the veteran in the same condition, so far as the purchase of his home is concerned, as he would be in under the statement of the majority leader if the \$600,000,000 were spread all across the board in premium payments, a type of premium payment that has not yet been explained on this floor, at least to my satisfaction. Everyone who has talked about premium payments up to now has had a different idea of how they are going to work.

Mr. MAGNUSON. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I am glad to yield.

Mr. MAGNUSON. I wonder if the Senator would mind telling, if it is not confidential, what company he is speaking of?

Mr. CORDON. I shall be glad to furnish the name of the company to the Senator from Washington. I do not care to put it in the RECORD, because I do not have permission from the writer of the letter to do so, but I shall be glad to furnish it to the Senator from Washington.

Mr. MAGNUSON. The letter is to a third party, I understand?

Mr. CORDON. Yes, written to a customer in South Carolina.

Mr. MAGNUSON. I wish to say to the Senator from Oregon that I appreciate what he has said. The same situation occurs in respect to fir doors, plywood and many allied building materials, but I think it is only fair to point out that recently,—and I share the feeling the Senator has regarding the lumber situation—recently we have had not complete, but some success, as the Senator, who participated in these conferences well knows, in getting a reasonable price for building materials.

As the Senator has pointed out, unless we can provide some profit incentive to our western pine and Douglas fir mills to divert from profitable war manufacture and production of lumber into so-called building materials, we are never going to get the production of western lumber that is so widely needed.

I hope, if the bill passes, that Mr. Wyatt, or whoever the Expediter might be, will see to it that the OPA acts upon these matters. I find after we go to OPA and finally get a decision from OPA that

in most cases it is fairly satisfactory, but the delay, in so far as western lumber is concerned, has been unconscionable, particularly in the case of housing materials which we now see are so desperately needed. Molding is one of the items.

The western producer of lumber is willing to go ahead, but because he diverted his plant to making boxes and other things needed for the war, it is not profitable for him to go back to making building materials. Until that is done the bottleneck will never be broken with respect to the lumber end of building materials.

There has been an unconscionable delay in OPA. Last week we secured a raise across the board with respect to western pine—not all that was wanted—and with respect to fir doors and plywood in process. An order is being issued to take care of that situation. But I hope that, as soon as this bill is passed, OPA will dig into the lumber situation because, as the Senator pointed out, houses cannot yet be built without lumber.

Mr. President, before I take my seat I want to make a correction. The Senator from Oregon said he comes from the greatest lumber State in the world. I am sure he means "one of the greatest lumber-producing States of the world."

Mr. CORDON. I do want to divide the honors with my colleague from Washington, although I am afraid that in order to do so I must be generous.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. WILEY. I think the illustration used by the senior Senator from Oregon with relation to molding is very pertinent. He said, in substance, that the 1941 price for molding was 74 cents. He said that OPA had apparently approved a price in the East of \$1.50 or \$2 and would not grant a price up to 95 cents to the people in the West for making this molding.

Mr. CORDON. May I say that that is not the price granted to them in the West, but is a price at which they would transport it and deliver it on the Atlantic seacoast.

Mr. WILEY. I am glad to have that clarification. We have been talking about molding. It seems to me there is something moldy down in OPA. The picture that has been given us by the Senator from Oregon is typical of what has occurred in the so-called production field clear across the board. In my own State there are those who have asked for increases to produce certain materials, and have demonstrated that they could not produce them at the price they were receiving. But OPA said, "But you are making money in other fields," and OPA would not grant the increase requested. As a result, the manufacturer, whom we will call A, he has gone out of production. Then right down the street or in the next city OPA has granted an increase correspondingly as great as in some of the cases recited, an increase of 100 percent to someone else, the one to whom the increase was granted being a bungler or new in the field. From that the inference has gone out that perhaps there were those in Government who wanted to see producers go

out of business. It seems to me that if in any way we can get instructions or directives across to the Expediter, Mr. Wyatt, so that he will understand that there is no limitation in his power to see that production goes into full swing and we actually get into operation, then we will have the answer.

I have spoken many times on the subject of production. Months and months ago I spoke over a national hook-up on the subject Production, Production, Production. We have not been getting production. The reason we have not been getting production is that the square pegs in the round holes in OPA are still square pegs. I do not call individual names, but the situation was made clearly apparent by the distinguished Senator from Oregon when he mentioned three names. A manufacturer comes here and submits a proposition. He says he has sold a bill of goods clearly and definitely showing a loss. The country is calling for the article he produces. Yet he cannot get his letters addressed to OPA answered. Certainly there is something rotten in Denmark when the servant in OPA will not give a courteous answer to his master, our constituent.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. TAFT. There is one feature of the bill which I think should be emphasized. Up to this time price control has been under the rules of the Stabilization Act, and under that act, and going beyond, I think, the real purpose of the act, the Price Administrator has in effect said that the price level is the first consideration over every other consideration, including production and even the existence of business, and many other things. Now for the first time in this measure we take away from him the power to direct price control and give it to the Administrator, with the injunction that it is for the purpose of increasing production. It seems to me that that transfer should have a very effective and salutary result if Mr. Wyatt will exercise the powers that are given to him. But I think Congress here for the first time is indicating that production is more important in that field than price control.

Mr. CORDON. Mr. President, I thank the distinguished Senator from Ohio, and I hope that he joins me in the deep regret that a time has come in the history of government in the United States when we must depend for the success of a law upon the judgment and whim or caprice of any single individual.

Mr. TAFT. Mr. President, will the Senator yield again?

Mr. CORDON. I yield.

Mr. TAFT. I am afraid Congress has long ago given away that power. In foreign policy we have vested the power to make war in one man. It rests in him and his caprice to make war or not to make war. There are many circumstances in which we have gone much further than we have in this bill.

Mr. CORDON. Permit me to say to the distinguished Senator from Ohio that those things were done under the Constitution, and that now the Con-

gress seems to be bent on doing it by statute, and I am opposed to that.

Mr. TAFT. Mr. President, will the Senator again yield?

Mr. CORDON. I yield.

Mr. TAFT. I think the Senator voted for the bill which transferred to the President, in the UNO Act, complete authority to make war or not make war in complete violation, I believe, of the Constitution of the United States.

Mr. CORDON. Again I will have to differ with the distinguished Senator as to whether that was or was not in violation of the Constitution of the United States.

I want to say, Mr. President, that I may have to hold my nose and vote for this bill. I do not want to do it, but I do not see any other way at the moment to get some of these things done except to vote for the bill. But I insist, and shall insist insofar as I can, on maintaining all the controls we can maintain, and particularly do I want to place in the measure a provision for the shortest possible period of time for its operation and the earliest possible time for its termination.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. I think the Senator, like myself, being interested in the lumber situation, will vote for this bill. I hope the Senator will agree with me that it is not so much what the OPA does about these matters, once they consider them and make a decision, but there have been great delays. We are giving the title "Expediter" to the Administrator in this bill. If we can expedite these things the lumber industry will get along all right. I hope the Senator will vote for the bill. I am sure if he does he will probably find that if we get the right kind of administrator our moldings and fir doors and all the things that go into houses will be speedily taken care of.

Mr. CORDON. I wish I could be as optimistic as is my distinguished colleague from Washington. I had the pleasure of working with him recently for several days in an attempt to get some type of price adjustments into the heads of OPA, and as the Senator has suggested, we partially succeeded. We can be hopeful at least when we see OPA commencing to show some signs of intelligence, even if we have to wait until the last few days of its life, when OPA is breathing its last, and wants to get another lease on life.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. CORDON. I yield to the Senator from New Jersey.

Mr. HAWKES. I wish to ask the Senator from Washington [Mr. MAGNUSON] if he really meant what he just said, that it does not make so much difference what OPA does, so long as we can get it to do something. I think it makes a tremendous difference.

Mr. MAGNUSON. Mr. President, the Senator misunderstood me. I stated that my experience in connection with lumber has been that when the OPA ultimately arrives at a decision, most of the time the decision is pretty fair. It is not al-

ways exactly what the industry wants, but it moves along, and the price ceilings are in many cases raised. The problem which both the Senators from Oregon and I, and others in lumber-producing States, have had is to get the OPA to act. I hope the Senator will not misunderstand me.

Mr. HAWKES. I think the Senator will find from the RECORD that he stated that it did not make much difference what the OPA did, if it could be induced to act. That is the point which I wish to correct. There are two factors. First, there is the desire or the necessity for getting the OPA to act; and second, there is the necessity for OPA acting intelligently, with some knowledge of what brings about production.

Mr. MAGNUSON. The Senator has expressed my opinions; and I am sure the RECORD will be corrected.

Mr. CORDON. Mr. President, I should like to make one or two further observations, and then I shall conclude.

I recognize that the amendment now before us needs some working over. I recognize that due to the shortness of time it is not a perfect document. I also recall that on numerous occasions under similar circumstances the argument has been heard on the floor to the effect that imperfections can be cured in conference, when there is more time. I suggest that that can be done in this case.

I recognize the force of the argument of my distinguished colleague from Oregon [Mr. MORSE] that as to existing houses any subsidy given to a veteran may well be considered simply additional money in his pocket, from the standpoint of the real-estate seller, to be taken advantage of by an equal increase in price, particularly now that there is no basis for a ceiling on existing houses. However, that situation does not apply as to houses to be built, because under the terms of the bill as it is now written a ceiling can be placed on such houses. If the amendment is adopted, I think the conference committee should give some consideration to broadening it to include widows of veterans.

Mr. President, I wish to close with this statement, because to me it is the very meat of the whole argument; if this bill is enacted we shall have clothed the Housing Expediter with authority over presently existing executive bureaus, so that he can compel action in every one of those bureaus, directed toward the one object of breaking the log jam and causing a flood of building materials. That authority will be granted to him no matter what we do with the pending amendment. I hope the amendment will be adopted, I agree with the distinguished majority leader that one of these days we shall probably be called upon again to consider, as the Congress considered after the last war, the matter of a veterans' bonus. At that time I am perfectly willing to support legislation which will provide, in such bonus law, for an offset or deduction in every instance of the amount paid to any veteran because of this legislation, so that in the end all will be treated alike. By such procedure the man who must have his house today would, in effect, simply obtain an ad-

vance on account of a settlement yet to be made. I am perfectly willing to serve notice now that I believe that such a settlement should be made. I do not believe that the debt is yet paid to the men and women who saved civilization in this world.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Pepper
Austin	Hayden	Radcliffe
Ball	Hickenlooper	Reed
Bankhead	Hoey	Revercomb
Barkley	Johnson, Colo.	Robertson
Briggs	Johnston, S. C.	Saltonstall
Brooks	Knowland	Shipstead
Buck	La Follette	Smith
Bushfield	Langer	Stanfill
Capehart	McCarran	Stewart
Capper	McClellan	Taft
Carville	McFarland	Taylor
Connally	McKellar	Thomas, Okla.
Cordon	McMahon	Thomas, Utah
Donnell	Magnuson	Tunnell
Downey	Maybank	Vandenberg
Ellender	Mead	Wagner
Fulbright	Millikin	Walsh
Gerry	Mitchell	Wheeler
Gossett	Morse	Wherry
Green	Murdock	Wiley
Guffey	Murray	Wilson
Gurney	O'Daniel	Young
Hart	O'Mahoney	
Hatch	Overton	

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present.

Mr. BROOKS. Mr. President, I should like to observe that the title of the pending bill is a complete misnomer. As the bill came from the House of Representatives, its title was in the correct form. The title then was "To amend the National Housing Act," and so forth. That is still all the bill is. The only benefit a veteran, as compared to anyone else, will receive from this measure is a preference to buy a house, if he is able to find out where the houses are and if he ever is able to determine what his rights are. The only other benefit the veteran will receive will be the doubtful one of having his name attached to this bill. It is now to be called the "Veterans' Emergency Housing Act of 1946."

The amendment which has been proposed by the junior Senator from Nebraska [Mr. WHERRY], and in which I join, merely attempts to give to the veteran some benefit under his own name, under an act which the Senate pretends is a Veterans' Emergency Housing Act. When it said that we are subsidizing the upper half of the group of veterans, because the others cannot afford to buy houses, I ask what we are doing in this bill when we provide \$600,000,000 for so-called incentive payments. They will not increase the ability of our people to buy houses. We are simply subsidizing them in another way.

What this measure really does is, not to continue the OPA, but to bring into existence and power a super OPA. The bill continues the War Powers Act, and it is merely another tentacle of the octopus that is strangling this country.

I agree with the Senator from Nebraska that we have not yet tried in the American way to obtain normal production. All the way through the OPA has

said, "Hold the line," and they fixed prices on the ordinary articles used by Americans. But the manufacturers got around that by putting frills on the ordinary articles, and then they were able to sell them at higher prices. Today it is impossible to buy an ordinary shirt, but it is easy enough to buy all kinds of sport shirts at high prices. The OPA has said, "We have held the line." But today the women of the United States find that it is impossible to buy ordinary house dresses in the stores, although they are able to buy all sorts of elaborate dresses at higher prices. The OPA said that it held the line all the way, but it has prevented the production of the things the people of the United States need.

When the OPA was given all those powers, we were told that it was for the duration of the war. But, Mr. President, the war will never end so long as the bureaucrats can keep it alive. Every Senator in this Chamber knows that we cannot get a bureau of this Government out of existence to save our souls. Now they are coming in droves. During the war we were told that they were needed because of the war. Now we are told that they are needed for the veterans. Every department is asking for more and more employees because, so we are told, the veterans need their help.

Mr. President, if the veterans were able to hear the bureaucrats who are asking for more employees and more money, they would raise literal Cain when they went into the offices around the country and were shunted from pillar to post. If the veterans could hear the leeches who come before congressional committees and ask to be allowed to perpetuate themselves with the power they now have, the veterans would start a new march of victory.

Mr. President, I tell you that this type of legislation is a fraud on the veterans. It puts all Members of Congress in a very peculiar position, because all of us hate to vote against a bill which is proclaimed as one to provide houses for veterans. Of course, all of us want to help provide more houses.

I desire to explain my position on this measure. I wish to give the incentives to the veterans and I wish to take steps to have the American producers given an opportunity to produce. If we do that, we shall be fair to both, we shall in some measure be paying the debt we owe the veterans who wish to have houses, and we shall make more houses available to everyone throughout the land.

If the Senate votes to reject the amendment which would give the so-called subsidy directly to the veterans, the Senate had better change the name of the bill, for it will no longer be a "Veterans' Housing Act."

Mr. CAPEHART. Mr. President, I rise to make a brief statement which is not particularly on the subject now being considered, but is in line with what the able Senator from Illinois has just stated.

Today there is in Washington a radio manufacturer from Indiana, with whom I have absolutely no connection. During the past 4 months that manufacturer has made six trips to Washington in an endeavor to obtain from the OPA

a price of \$7.04 on a radio set which he will manufacture. That would be his price to the distributor. The radio set would sell at retail for \$12.75. The manufacturer's cost is \$6.50. The best price the OPA will allow the manufacturer is \$6. He has been before the OPA all day today wrestling with it. A moment ago I received a telephone call that the OPA has declined to permit the price of \$7.04 to the manufacturer—a manufacturer who has orders for 170,000 sets to be sold to the public, the poor people, at \$12.75; a manufacturer who will put to work, tomorrow, 400 or 500 people, if the OPA will permit him to sell that radio set to his distributors for \$7.04. Think of that, Mr. President. The manufacturer is asking the OPA to permit him to set a price of \$7.04 to the distributors, on radio sets which will be sold to the public for \$12.75. Yet the OPA denies that right to the manufacturer, although he is asking for a profit of only 54 cents on each set. Yet there are those who say that the OPA is not interfering with production in America. I say to you, Mr. President, that the OPA is interfering with production in America. Furthermore, I say that the OPA is violating the law when it denies any manufacturer or anyone else who is in business a legitimate profit.

I apologize to the Members of this body for getting off the subject, because what I have said certainly is not particularly germane to the matter now under consideration. But I just received the message that the bureaucrats have denied the manufacturer the right to make a 54-cent profit on a radio set which would be sold to the public for \$12.75.

Mr. BARKLEY. Mr. President, may we have a vote on the pending amendment? The yeas and nays have been ordered. I ask all Senators to remain in the Chamber after the vote is taken on the amendment, in order that we may conclude action on the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY], as modified, proposing a substitute for section 11 of the committee amendment, as amended, which then would read as follows:

SEC. 11. The Administrator of Veterans' Affairs is authorized and directed to pay, under such regulations as he may prescribe, to or on behalf of any veteran of World War II a sum equal to 5 percent of the cost of a dwelling hereafter or heretofore and since December 7, 1941, purchased or constructed by such veteran and to be occupied by him or his family as a home. No payment in excess of \$500 shall be made to or on behalf of any such veteran and no payment shall be made to or on behalf of any such veteran with respect to more than one dwelling. Regulations prescribed under this section shall contain such provisions as the Administrator deems necessary to insure the use of payments made under this section for the purpose for which such payments are made.

On this amendment the yeas and nays have been demanded, but they have not been ordered.

Mr. BARKLEY. I think they have been ordered, Mr. President.

Mr. WHERRY. I believe that the yeas and nays have been ordered.

The PRESIDENT pro tempore. The yeas and nays were demanded, but the Chair is advised that they were not ordered.

Is there a sufficient second?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "nay."

Mr. WALSH (when Mr. MYERS' name was called). I announce that the Senator from Pennsylvania [Mr. MYERS] is attending a meeting of the Board of Visitors at the Naval Academy in Annapolis. If present and voting, he would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. MYERS] who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

The Senator from Mississippi [Mr. BILBO], the Senator from West Virginia [Mr. KILGORE], and the Senator from Virginia [Mr. BYRD] are detained on official business at various Government departments.

I wish to announce further that, if present and voting, the Senator from Florida [Mr. ANDREWS] and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Maine [Mr. BREWSTER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. BUTLER] have general pairs which have been heretofore announced and transferred.

The result was announced—yeas 19, nays 54, as follows:

YEAS—19

Brooks	Hickenlooper	Stanfill
Bushfield	Langer	Wherry
Capehart	O'Daniel	Wiley
Capper	Reed	Wilson
Cordon	Revercomb	Young
Gurney	Robertson	
Hawkes	Shipstead	

NAYS—54

Aiken	Hatch	Murdock
Austin	Hayden	Murray
Ball	Hoey	O'Mahoney
Bankhead	Johnson, Colo.	Overton
Barkley	Johnston, S. C.	Pepper
Briggs	Knowland	Radcliffe
Buck	La Follette	Saltonstall
Carville	McCarran	Smith
Connally	McClellan	Stewart
Donnell	McFarland	Taft
Downey	McKellar	Taylor
Ellender	McMahon	Thomas, Okla.
Fulbright	Magnuson	Thomas, Utah
Gerry	Maybank	Tunnell
Gossett	Mead	Vandenberg
Green	Millikin	Wagner
Guffey	Mitchell	Walsh
Hart	Morse	Wheeler

NOT VOTING—23

Andrews	Eastland	Moore
Bailey	Ferguson	Myers
Bilbo	George	Russell
Brewster	Glass	Tobey
Bridges	Hill	Tydings
Butler	Huffman	White
Byrd	Kilgore	Willis
Chavez	Lucas	

So Mr. WHERRY's amendment was rejected.

ALBERT CANTALUPO

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1089) for the relief of Albert Cantalupo, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows:

Amendment No. 3: In lieu of the sum inserted by the Senate amendment insert \$1,708; and the Senate agree to the same.

ALLEN J. ELLENDER,
WAYNE MORSE,

Managers on the Part of the Senate.

DAN R. MCGEEHEE,
J. EDGAR CHENOWETH,

Managers on the Part of the House.

The report was agreed to.

JAMES LYNCH

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2835) for the relief of James Lynch, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the sum inserted by the Senate amendment insert the sum of \$4,514.60; and the Senate agree to the same.

ALLEN J. ELLENDER,
W. LEE O'DANIEL,

Managers on the Part of the Senate.

DAN R. MCGEEHEE,
J. M. COMES,
W. A. PITTINGER,

Managers on the Part of the House.

The report was agreed to.

PERMANENT APPOINTMENTS IN THE REGULAR NAVY AND MARINE CORPS—CONFERENCE REPORT

Mr. WALSH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with amendments as follows:

On page 2 of the House engrossed amendments, lines 3, 6, 8, 14, and 17, strike out "permanent"; and on page 2 of the House engrossed amendments, line 17, strike out "8 per centum" and insert in lieu thereof "7 per centum"; and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

Amend the title to read as follows: "An Act to increase the authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes"; and the House agree to the same.

DAVID I. WALSH,
MILLARD E. TYDINGS,
PETER G. GERRY,
CHAS. W. TOBEY,
LEVERETT SALTONSTALL,

Managers on the Part of the Senate.

CARL VINSON,
P. H. DREWRY,
LYNDON B. JOHNSON,
ED. V. IZAC,
GEORGE J. BATES,

Managers on the Part of the House.

The report was agreed to.

AGREEMENT BETWEEN THE UNITED STATES AND GREAT BRITAIN RELATING TO AIR TRANSPORTATION

Mr. McCARRAN. Mr. President, about 6 weeks ago I discussed at some length, in this Chamber, the bilateral agreement between the United States and the United Kingdom which had then just been negotiated at Bermuda. To identify this agreement for the benefit of Senators who may not have been present when I discussed it late in February, I may say that the Bermuda agreement covers certain rights to fly into and across the United States, which the agreement purports to grant to air lines of the United Kingdom, and certain similar rights which, by the terms of the agreement, would be granted to United States air lines with respect to flights into and across the United Kingdom. The agreement also comprehended approval by the Civil Aeronautics Board of the International Air Transport Association Conference procedure for fixing rates for international air transportation, and the Civil Aeronautics Board has, pursuant to the Bermuda agreement, approved this rate-making procedure.

For several weeks the Senate Committee on Commerce has been holding hearings on Senate bill 1814, which was intro-

duced by me, and which would require that international agreements of this type be made, if at all, by treaty.

Those hearings were concluded this morning. I had the honor of being permitted to conclude the hearings with a statement summarizing the issues raised during the hearings, and commenting upon the questions presented. In this statement I also endeavored to lay before the committee a carefully considered opinion on the legal points involved.

Because the subject involved is of tremendous importance to the Nation, and, I think, of considerably more than passing interest to the Senate, I now ask unanimous consent that the statement to which I refer, and which I made before the Commerce Committee, be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, in concluding this hearing on my bill, S. 1814, I shall try to tie up a number of loose ends. I shall discuss certain testimony which has been received during these hearings. I shall discuss the Bermuda agreement from several angles. And I shall discuss the bill itself. I shall also have a few words to say, before I am through, on the question of what is a treaty and the distinction between a treaty and an executive agreement.

I wish to make it clear that I do not propose to discuss all the testimony which has been heard, nor all the phases of the Bermuda agreement. I do not even propose to say all that might be said about the bill or about the question of treaty versus executive agreement. Senators who have not been present at the hearings will, I am sure, wish to read the record for themselves, and the record includes not only the full text of the Bermuda agreement, and the full text of the majority and minority reports of the Civil Aeronautics Board in connection with approval of the Iata conference procedure, but also lengthy discussions of the difference between a treaty and an executive agreement.

Also worthy of study by members of the committee are the statements on behalf of the International Association of Machinists, the Brotherhood of Locomotive Engineers, and the Brotherhood of Railroad Trainmen, and the statements of several other nongovernmental witnesses.

I wish to call the attention of all members of the committee particularly to the very fine statement made on behalf of the American Federation of Labor by Mr. Lewis G. Hines, national legislative representative of the Federation, who appeared before the committee on Tuesday, April 2.

Frequent references have been made during these hearings to the Chicago aviation agreements. I am sure members of the committee are familiar with the transport agreement, commonly referred to as the five freedoms agreement, which came out of the Chicago conference before this committee, and on other occasions, representatives of the State Department have made much of the fact that a substantial number of nations have signed this five freedoms agreement. I invite the attention of members of the committee to the charts inserted in the record at the first day of these hearings, showing the status of the Chicago documents.

The United States has signed the five freedoms agreement; and the State Department says we are bound by it. Now, what other countries have signed? Let me read the list. Afghanistan, Bolivia (but the State Department's chart does not show formal acceptance by Bolivia), China (with a reservation), Costa Rica, Cuba, the Dominican

Republic, Ecuador (but no formal note of acceptance has been received from Ecuador, according to the State Department's chart), El Salvador, Ethiopia, Guatemala (but the State Department chart shows no receipt of any note of acceptance from Guatemala), Haiti (but no note of acceptance), Honduras, Iceland (but no note of acceptance), Lebanon (signed ad referendum, and no note of acceptance), Liberia, Mexico (no note of acceptance recorded), the Netherlands, Nicaragua, Paraguay, Peru (no note of acceptance), Sweden, Syria (with a reservation, and no note of acceptance yet received), Turkey (with a reservation), Uruguay (no note of acceptance), Venezuela (signed ad referendum, and no note of acceptance received), the Danish Minister (but Denmark has formally accepted only the interim agreement, and has not accepted the five-freedoms agreement), and the Thai Minister.

Mr. Chairman, the benefits which the United States will receive from the rights granted by those nations in return for the rights they are entitled to from us, as a result of their signature to the five-freedoms agreement, are of very little value to American aviation. Now, what about the nations which really have something to trade? Great Britain has not signed the five-freedoms agreement, nor has any one of the British dominions. France has not signed the five-freedoms agreement. Norway has not signed. Portugal has not signed. Spain has not signed. Other participants in the Chicago conference which have not signed the five-freedoms agreement include Australia, Belgium, Brazil, Canada, Chile, Columbia, Czechoslovakia, Egypt, Greece, India, Iran, Iraq, Ireland, Luxemburg, New Zealand, Panama, the Philippine Commonwealth, Poland, Switzerland, the Union of South Africa, and Yugoslavia. With some of these nations, as in the case of Great Britain and France, we have signed bilateral air transport agreements. But those agreements comprehend only an exchange of rights between the United States and the other signatory to the agreement in each case. The theory of the five-freedoms agreement was a reciprocal granting of rights to all other signatories. Because we have signed the five-freedoms agreement, every bilateral agreement we conclude or have concluded with another country, covering air transport, is binding against us in favor of any nation which has signed or does sign the five-freedoms agreement. But the other signatories to bilateral agreements with us, who have not signed the five-freedoms agreement, are bound only by the terms of the bilateral agreement. They have preserved their bargaining power as against other nations and, as to all matters outside the four corners of the bilateral agreement, as against us. Mr. Chairman, I think those facts are important, and I wanted them in the record.

Mention has been made during these hearings of the fact that the Bermuda agreement comprehends no control whatsoever over frequencies of flight by international air carriers. In connection with this point, there has been some confusion. It should be made clear that whereas section 401 (f) of the Civil Aeronautics Act of 1938 specifically prohibits exercise by the Civil Aeronautics Board of any control over the frequencies of United States air carriers holding certificates for air transportation between this country and foreign nations, section 402 (f) of the act includes broad authority for the Board to prescribe terms, conditions, and limitations which shall attach to any permit issued to a foreign air carrier. This clearly appears to embrace the power to control frequencies of foreign air carriers. It is this power which the Civil Aeronautics Board is giving up under the Bermuda agreement. It is significant that the Congress made different provisions in this respect for United States air carriers, on the one hand, and foreign air carriers, on the other. The intention of the

Congress, as ascertained from the Civil Aeronautics Act of 1938, is quite clear. It was the view of the Congress that United States air carriers should not be restricted as to frequencies, but that power to control the frequencies of foreign air carriers should rest with the Civil Aeronautics Board, as an incident to protection of American aviation. This is, therefore, another instance in which the will of the Congress has been flouted by the Bermuda agreement.

During his testimony on the opening day of these hearings, Mr. Baker, of the State Department, called attention to what he said was a fact recognized by the American delegates when they went to Bermuda, namely, that a country into whose air space we wished to fly could prevent us from doing so if our companies charged rates which the foreign nation believed uneconomic. So that there may be no misunderstanding on this point, I should like to make it clear that our position in this respect was not improved by the Bermuda agreement. Unless and until the Congress grants to the Civil Aeronautics Board authority to control rates, the British have reserved all of the rights which they had before the Bermuda Conference relative to stopping American companies from flying into British points. If the Congress does grant the authority to control rates, the Bermuda agreement pledges the Civil Aeronautics Board to use that authority in accordance with what Mr. Baker called advisory opinions of PICAQ. Since the British and other foreign governments outvote us on PICAQ, it can be seen that under the Bermuda agreement the British will retain effective control over the rates of American carriers landing in British territory, whether Congress acts or not.

Perhaps that point needs a little explanation.

Article 9 of the Bermuda agreement summarized in subparagraph 7 provides, in effect, that any dispute between the two nations relating to the interpretation or application of the Bermuda agreement which cannot be settled through consultation shall be referred for an advisory report to PICAQ. Article 8 of the Bermuda agreement provides that if either nation wishes to modify the terms of the annex (which covers routes) it shall consult the other nation, party to the Bermuda agreement. Then, under article 9, if an agreement cannot be reached, the matter is to be referred to PICAQ. Subsection (g) of paragraph 2 of the annex to the Bermuda agreement provides that when the two nations cannot agree within a reasonable time upon the appropriate rate after consultation, either party may request, and the other party must agree, to submit the question to PICAQ; and both nations agree in advance to use their best efforts under all powers available to them to put into effect the opinion expressed by PICAQ in its advisory report.

Thus, in effect, the CAB has abdicated any rights which it may have with respect to rates (and perhaps also with respect to routes) in favor of an international organization on which United States air line can be out-voted 42 to 1.

In this connection, it is interesting that the Bermuda agreement binds the executive branch of the United States Government to seek congressional authority to fix rates for United States air carriers on international air services. But the provisions of article 9, just outlined, provide in effect that if Congress grants such power, the CAB can only use that power in a way approved by the United Kingdom; or, lacking such approval, in whatever way PICAQ may direct. In other words, Congress is asked to provide a power but is being told in advance (in an executive agreement) how that power shall be exercised, and under what conditions; and Congress is also being told that the power which it is to be asked to grant shall be subservient

to a higher power vested in an international organization. Thus, in effect, Congress is being asked to abdicate its own powers to PICAQ.

I call the attention of the committee to the colloquy between Senator CORDON and Mr. Baker, of the State Department during the first day of hearings on this bill. Senator CORDON, speaking of the Bermuda agreement, said: "Your view is that the executive agreement has been reached, signed, and is a fait accompli so far as this country is concerned now?" Mr. Baker replied: "It is my understanding." Senator CORDON then said: "As far as the presentation to this committee is concerned, you are simply presenting a history of something that is done." Mr. Baker replied: "As far as the executive agreement, the air-transport agreement, which is considered to be an executive agreement—that would be true, Senator. It gets a little complicated because part of the agreement is that the executive branch of the Government would urge upon the Congress certain future action, which would be solely within the province of the Congress."

I think that colloquy is important for two reasons. First, it makes it very clear that the State Department's attitude is that the Bermuda agreement, arrived at in secret and without any consultation with the Congress, is completely binding, and that Congress can do nothing to undo it. Secondly, the latter part of Mr. Baker's statement, which I have just read, was somewhat misleading. The "future action" which Mr. Baker referred to as to be urged upon the Congress by the executive branch of the Government, is the proposal to grant statutory authority for the regulation of rates and frequencies in international air transportation. Mr. Baker said this would "be solely within the province of the Congress." The fact of the matter is, as I have just pointed out, that under the Bermuda agreement, any authority of that nature which the Congress might grant would have to be exercised not at the discretion of the Civil Aeronautics Board, but in accordance with the actions of PICAQ. In other words, the provisions of the Bermuda agreement, which Mr. Baker has said constitute a fait accompli, signed, sealed, and delivered, would by their terms control the exercise of any authority over rates, fares, and frequencies which the Congress might see fit to grant to the Civil Aeronautics Board. Mr. Chairman, if that is not a clear attempt to tie the hands of Congress with respect to its future action, I have never seen one.

Members of the committee will also find interesting an interchange between Senator BREWSTER and Mr. Baker, which also occurred on the first day of the hearings. Speaking of the Bermuda agreement, Senator BREWSTER asked: "Is this now a fait accompli? Does it require the approval of the President or Secretary of State?" Mr. Baker replied: "As I understand it, I was specifically granted by the President full powers to sign an executive agreement at Bermuda after he had had described to him the material which was to be signed." Senator BREWSTER then asked: "You were given full authority to sign for the President and you did so?" Mr. Baker replied: "I did so."

Mr. Baker of the State Department testified before this committee that the purpose of the Civil Aeronautics Board, in asking for authority from Congress to fix and control rates in international air transportation, and the desire of the State Department in negotiating an agreement that such authority from the Congress would be sought, was to give the Civil Aeronautics Board discretion to go into rate matters and to control such matters. As a matter of fact, the executive branch of the Government already, and before any power of that nature has been granted by the Congress, has abdicated its discretion in that respect, through the provision of the Bermuda agreement requiring

ultimate submission of disagreements to PICAQ, and binding this Government to do everything in its power to put into effect the advisory opinion which PICAQ may render in any case. Since we have agreed to do everything we can to make a PICAQ opinion valid, and to enforce it, even to the extent of pledging in advance the authority which Congress has been asked to grant, it cannot be denied that the opinions which PICAQ will render are certainly somewhat more than advisory.

Members of the committee will remember the lengthy statement of the State Department which Mr. Baker read into the record in answer to an anonymous memorandum which apparently concerned him greatly. That statement of the State Department contains one very interesting passage. After stating that it is assumed that Great Britain will operate its air lines at a lower cost than is possible for American carriers, that statement of the State Department went on to declare that if it is true that the foreign operators are to be the low-cost operators of the future, then—and I quote—"control of rates through adequate powers conferred upon the CAB is not only advantageous but essential for the development of American international aviation." That is our State Department speaking, Mr. Chairman. And yet, in the face of that statement, the power of the CAB to control the rates of foreign air carriers has been traded away under the Bermuda and Paris agreements. In that connection, Mr. Chairman, I should like to point out that the power to control rates which the CAB is asking Congress to grant refers only to the rates of United States air carriers in international air transportation. With respect to foreign air carriers, the Civil Aeronautics Act granted to the CAB powers which would enable it to control the rates of such carriers; and, except to the extent that those powers may have been traded away at Bermuda and elsewhere, they are possessed by the CAB today. The situation, therefore, is exactly this: We have traded away our right to control the rates of foreign air carriers, but the Congress is now being asked to grant control over the rates of United States air carriers, with the express understanding that such power, if granted, will not be exercised in the discretion of the Civil Aeronautics Board, but in accordance with the findings and opinions of PICAQ, an international body on which we are heavily outvoted. We have given up our right to control the rates of British air carriers, but, on the other hand, have agreed to try to hand over to Great Britain and her satellite nations, through PICAQ, a measure of control over the rates of United States air carriers which Great Britain could not acquire in any other way.

Now let me turn to another phase of this matter.

Under date of February 11, 1946, the State Department issued a press release explaining the Bermuda agreement. Subparagraph (i) of paragraph 6, on page 2 of this release, stated that one of the high lights resulting from the Bermuda Conference is—and I quote—"Rates to be charged by air carriers operating between points in the United Kingdom and points in the United States are to be subject to governmental review." Mr. Chairman, there is no present authority in law for any agency in the executive department of the United States Government to control or "review" rates to be charged by United States air carriers operating between any point in the United States and any point outside the United States, in international air transportation. Therefore, such rates can be made subject to governmental review only on the theory that the Bermuda agreement itself conveys the right for such review. Since the Bermuda agreement is, according to the State Department, an executive agreement, and not a treaty, it cannot convey any

rights nor supersede, amend, amplify, or alter any statutes. Therefore, the Bermuda agreement, if this statement of the State Department is to be accepted at face value, binds the United States to a principle for which there is no legal authorization. It commits the United States to a "review" of rates which it has no right to require and which it cannot enforce.

Section 801 of the Civil Aeronautics Act of 1938 provides that "the issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same territory or possession, or any permit issuable to any foreign air carrier under section 402, shall be subject to the approval of the President." Granting to the United Kingdom the freedom to determine the frequency of operations of its air lines to and from the United States must be interpreted either as (1) abrogating this right of the President to approve, or (2) relegating Presidential approval to the status of a mere ministerial act by requiring him to rubber stamp any decision which the United Kingdom may make with regard to its air lines operating to and from this country. It is extremely doubtful, in law, whether the right of approval specifically granted to the President by act of Congress, and by its terms (as well as in practice, heretofore) a discretionary power, can be nullified or coerced in any such way, by means of a mere executive agreement.

From a national defense standpoint, the Bermuda agreement, the agreement with the French, other bilateral air transport agreements entered into between the United States and foreign nations, and the five freedoms agreement which we signed at Chicago should have, and undoubtedly do have, great interest to the high command of our Army, Navy, and Air Force. The combined effect of all these agreements is to grant rights to a number of foreign nations to operate unlimited schedules across the United States. No one can say yet how many foreign air lines eventually will have such rights. It has been clearly brought out during these hearings that the rights which we have granted to the British, and to the French, are a controlling element with respect to the rights which we must grant to any other nation which elects to sign the five freedoms agreement. I do not know whether it is the policy of the State Department to permit the high command to voice opinions when diplomatic negotiations for the surrender of our air sovereignty are pending. I cannot imagine that our high command would favor or does favor the idea of 10 or a dozen or more foreign air lines operating unlimited schedules on routes crisscrossing the United States. The right for any foreign country to fly over the United States at will, to use the strategic outposts of Hawaii, Midway, and Guam, is a question of great concern to our national security. That is one reason why the Congress provided, in section 402 (g) of the Civil Aeronautics Act of 1938, that any permit issued to a foreign air carrier might be altered, modified, amended, suspended, canceled, or revoked by the Civil Aeronautics Board whenever the Board should find such action to be in the public interest. It is one reason why the Congress provided, in section 402 (e) of the Civil Aeronautics Act, that permits to foreign air carriers should be granted only after public notice and after opportunity for any interested person to file a protest or memorandum of opposition to the issuance of the permit. Those provisions of the act appear to have been either overlooked or deliberately nullified by the representatives of this country in negotiating the Bermuda agreement.

Mr. Chairman, the committee certainly should give consideration to the views of the President in this matter. President Tru-

man's statement on the Bermuda agreement, issued on February 26, has been made a part of the record in these hearings. Let me quote from that statement:

"Because civil aviation involves not only problems of transportation but security, sovereignty, and national prestige problems as well, the joint working out of air-transport agreements between nations is a most difficult one. Many countries, naturally desirous of having air-transport companies of their own and with treasuries heavily depleted by their war efforts, have a genuine fear of the type of rate war with which the history of various forms of transportation has been so full. In the Bermuda agreement the executive branch of the United States Government has concurred in a plan for the setting up of machinery which should protect against the type of rate war feared by so many of the countries through whose air space we desire that our airplanes have the right to fly."

Mr. Chairman, what the President says there is, in effect, that foreign countries are afraid they cannot operate as cheaply as we can; and that the Bermuda agreement protects these countries against any possibility that American companies will give the public the advantage of this ability to fly more cheaply. In other words, the President says—and he is right—that not only Great Britain, but many other countries who have been worrying for fear we should get most of the overseas traffic by doing the job cheaper than anyone else, now have nothing to worry about on that score. I am unable to tell whether the President is happy about this, and whether he has endorsed the Bermuda agreement in spite of this or because of it.

The passage I have just quoted from the President's statement indicates that the decision with respect to rate regulations, which was reached at Bermuda, involved considerations of security, sovereignty, and national prestige. Later in his statement, the President quoted approvingly what he called the major purpose of the two Governments, using the language of the Bermuda agreement—that—and I quote:

"The two Governments desire to foster and encourage the widest possible distribution of the benefits of air travel for the general good of mankind at the cheapest rates consistent with sound economic principles."

Certainly, Mr. Chairman, such considerations as security, sovereignty, and national prestige, and the desire of many countries to have air-transport companies of their own, have nothing to do with "sound economic principles." Perhaps it is noteworthy that the President did not say that the Bermuda agreement carries out the major purpose which he approved, but rather stated only that the results of the Bermuda Conference "constitute a * * * forward step."

Mr. Chairman, the question of what kind of a trade was made at Bermuda has been very thoroughly explored at these hearings. These are just a few points I want to clear up for the record.

It has been stressed several times during this hearing that the United States obtained, under the Bermuda agreement, landing rights at 17 points in the British Empire in exchange for a grant to the British of landing rights at 9 traffic centers in the United States. This comparison does not tell the whole story. The important factor is the volume of tourist traffic and business passenger traffic originated at the respective points at which landing rights have been granted. Involved in this consideration are such questions as the composition of the population, relative standards of living, traveling habits, and so on. When these considerations are taken into account, it becomes very clear that the potential traffic opened up to the British is substantially greater than the traffic American lines may hope to obtain from the 17

points in the British Empire at which landing rights have been granted to us.

In his statement before the committee on February 27, Mr. Welch Pogue said that—and I quote: "It is, of course, impossible to compute mathematically the passenger miles which the agreement provides United States carriers or the passenger miles which it provides British carriers." Mr. Chairman, that statement is technically correct. It is impossible to compute mathematically the figures in question. It certainly should not be impossible to make fairly accurate estimates, on the basis of known travel figures. But Mr. Pogue and Mr. Baker told us, in response to subsequent questioning, that no such estimates had been made. Yet a little farther along in the same paragraph from which I have already quoted, Mr. Pogue said—and I quote: "However, since the important thing is not the length of the route, but the amount of traffic which is carried over the route, estimates of route mileages are only misleading. * * * Passenger mileage is the significant statistic." Mr. Chairman, I think it is proper to ask, since it was recognized that passenger mileage over these new routes was the most important factor, why no effort was made to estimate the passenger mileage involved in the routes which we granted Great Britain and those which we received in return.

Now, another point. A member of the committee expressed the opinion, during the course of these hearings, that Americans would prefer to travel on American-flag lines and therefore that there was no danger of traffic being diverted from American air carriers to British or other foreign air lines. I think an excellent answer to that assumption is the record of the historic traffic pattern in surface transportation overseas. The report on overseas air-service patterns, prepared by Mr. F. H. Crozier, of the Civil Aeronautics Board, and issued in December 1944, shows that 89 percent of all the money paid by United States residents for travel overseas on surface vessels went to foreign steamship lines. The same study shows that 72 percent of all money paid for overseas travel between the United States and foreign countries, by surface vessels, was paid by United States residents. Yet United States steamship lines received only 9.4 percent of all overseas surface travel revenues. Breaking those figures down further, we find that United States residents, in the calendar year 1938, spent \$61,800,000 for travel across the Atlantic by surface vessel; and they spent \$55,000,000 of that total for travel on foreign steamships. That certainly does not establish any traditional preference by Americans for travel on American-flag ships.

Perhaps this is as good a time as any to raise a point about which I feel very strongly. In his report on this bill the Secretary of State declared that—and I quote—"During the last several years, the Department of State has conscientiously and, I believe, effectively carried out a policy of consultation with appropriate congressional leaders on important foreign negotiations." Mr. Chairman, this statement by the Secretary was cited with approval by the Director of the Budget in his brief report on this bill, which echoes an amen to the report of the Secretary of State. Summarizing the Secretary's statements in this regard, the Budget Director referred to the State Department report as one—and I quote—"in which the Department indicated its complete satisfaction with the policy which has been pursued during the last several years of consulting with appropriate congressional leaders on important foreign negotiations which may be expected to develop into the conclusion of agreements or treaties requiring action on the part of the executive branch of the Government." Mr. Chairman, if that is the policy of the State Department, the Department certainly departed from its policy in connection with the Bermuda and Paris

agreements. Those agreements were negotiated in secret, and entirely without either prior or contemporary consultation with any Members of Congress, so far as I know. Certainly this committee was not consulted, and Mr. Baker testified he had not consulted any Member of Congress. Perhaps the State Department did not feel there were any Members of Congress who were "appropriate" for consultation in this case. Mr. Chairman, I want to say most emphatically that, in my opinion, while consultation between executive departments of the Government and Members of Congress is a highly desirable practice, I do not believe it is proper for any executive department to decide for itself, in a case of this kind, who are the appropriate Members of Congress to be consulted. The matter of our international aviation policy is one for the Congress as a whole to determine.

Members of the committee have asked me to make some comment on the authority by which the Bermuda agreement was consummated and implemented.

This question divides itself into two parts: First, the authority by which the State Department entered into the agreement; second, the authority under which the Civil Aeronautics Board approved the IATA conference-procedure agreement. There are some other questions of authority, such as the apparent commitment of the Civil Aeronautics Board under the Bermuda agreement to review rates of United States air carriers in international air transportation, but since, so far, there has been no attempt by the Civil Aeronautics Board to exercise authority in these other fields I speak of, the question of authority narrows down to the two points I have just mentioned.

With respect to the authority of the State Department to negotiate the Bermuda agreement, the State Department's position was made clear in a memorandum read by Mr. Blake, which members of the committee will recall Mr. Blake said was in answer to an anonymous memorandum which he said had been circulated among Members of Congress. In the State Department memorandum, which Mr. Blake read, the following statement was made:

"Under the Civil Aeronautics Act of 1938, the President is empowered to grant air-transport rights to foreign nations through the CAB by means of agreements negotiated by the Department of State in consultation with the Board. These agreements must be within the framework of the existing statute. The State Department believes that the air-transport agreement with Great Britain was negotiated within these powers and conditions." Mr. Chairman, I have already pointed out that the State Department did not contend that its authority to negotiate an executive agreement at Bermuda was derived from the constitutional powers of the President, but that it was statutory authority. The quotation I have just made from the State Department memorandum sums the Department's position up quite clearly; and since Mr. Blake told us that memorandum was prepared in answer to criticism on this point of authority, I think we may quite properly take this statement from the State Department memorandum as the basis for discussion of this point.

Let me read it again:

"Under the Civil Aeronautics Act of 1938, the President is empowered to grant air-transport rights to foreign nations through the CAB by means of agreements negotiated by the Department of State in consultation with the Board. These agreements must be within the framework of the existing statute. The State Department believes that the air-transport agreement with Great Britain was negotiated within these powers and conditions."

Mr. Chairman, section 801 of the Civil Aeronautics Act provides that:

"The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same territory or possession, or any permit issuable to any foreign air carrier under section 402 shall be subject to the approval of the President. Copies of all applications in respect to such certificates and permits shall be transmitted to the President by the Authority before hearing thereon, and all decisions thereon by the Authority shall be submitted to the President before publication thereof. This section shall not apply to the issuance or denial of any certificate issuable under section 401 (e) or any permit issuable under section 402 (c) or to the original terms, conditions, or limitations of any such certificate or permit."

Section 802 of the Civil Aeronautics Act reads as follows:

"The Secretary of State shall advise the Authority of, and consult with the Authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services."

Section 1102 of the Civil Aeronautics Act reads as follows:

"In exercising and performing its powers and duties under this act, the Authority shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, shall take into consideration any applicable laws and requirements of foreign countries and shall not, in exercising and performing its powers and duties with respect to certificates of convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement, heretofore or hereafter entered into between an air carrier, or any officer or representative thereof, and any foreign country, if such contract or agreement is disapproved by the Authority as being contrary to the public interest."

Now, Mr. Chairman, each of these three sections of the Civil Aeronautics act has at one time or another, been cited by one or more proponents of the Bermuda agreement as the basis for the authority to negotiate that agreement. Let us consider them one by one.

Section 801 comes closest to meeting the statement of the State Department that under the Civil Aeronautics Act of 1938, the President is empowered to grant air transport rights to foreign nations through the CAB by means of agreements negotiated by the Department of State in consultation with the Board. Actually, of course, both sections 801 and 802 must be considered together to get any such concept. And, if we examine these sections very, very perfunctorily, it might appear that they do grant such authority. A somewhat closer examination, however, reveals several interesting facts.

First, section 801 does not grant the President the right to give air transport rights to foreign nations. It does provide that the CAB can act in this regard only subject to the approval of the President. That may sound like a technical distinction, but it is a very important one. It is important because, on the one hand, you have an assumption that the President may do whatever he pleases about granting rights to foreign air lines, and merely use the CAB as an implement for his actions. On the other hand—and this, Mr. Chairman, is what the Civil Aeronautics Act provides—the President is given only what amounts to a veto power

over the actions of the CAB in connection with rights granted to foreign air carriers, or to United States air carriers to engage in overseas or foreign air transportation. I believe it is going entirely too far to assume that this veto power implies the power of the President to go ahead, after he has disapproved a CAB finding, and make whatever agreement or grant whatever rights he may see fit to make or grant. The President does not have that power under the Civil Aeronautics Act. Let me point out further, that section 801 requires that copies of all applications in respect to certificates and permits for overseas or foreign air transportation shall be transmitted to the President before hearing. That portion of the section was not complied with in the case of the Bermuda agreement. As a matter of fact, as we all know, the Bermuda agreement granted rights to foreign air carriers without any hearing whatsoever. Mr. Chairman, it is axiomatic in the law that he who seeks to invoke a statute must himself comply with it. I do not see how the State Department or the Civil Aeronautics Board can claim any authority under section 801 of the Civil Aeronautics Act unless the authority in question was exercised in full compliance with that section.

Now let us consider section 802. This section does not, as the State Department memorandum would lead us to believe, convey any authority to the State Department to negotiate agreements granting air transport rights to foreign nations. Let me read the language of section 802 again:

"The Secretary of State shall advise the authority of, and consult with the authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services."

All that section says is that when the Secretary of State is about to negotiate or is negotiating any agreements with foreign governments for the establishment or development of air navigation, including air routes and services, he shall advise the Civil Aeronautics Board of the negotiations and shall consult with the Board concerning them. This is not a grant of power; it is a restriction upon the authority of the State Department. The authority to negotiate agreements with foreign governments for the establishment or development of air navigation, including air routes and services, lies outside this section; it lies outside the Civil Aeronautics Act. All this section does is say that in exercising whatever authority he may have for the negotiation of such agreements, the Secretary of State shall advise the Civil Aeronautics Board of, and consult with the Board concerning, the negotiation of agreements of the type specified. If the Secretary of State has authority to negotiate a certain agreement by treaty, and only by treaty, then section 802 of the Civil Aeronautics Act says that if that agreement concerns establishment or development of air navigation, it can be negotiated only after advice to and consultation with, the Civil Aeronautics Board.

The State Department complied with section 802 of the Civil Aeronautics Act in negotiating the Bermuda agreement, since the representatives of the Civil Aeronautics Board were present in Bermuda and, in fact, we are told, actually negotiated the agreement, the State Department representative only signing what had been negotiated by the CAB. However, the fact that the Department complied with the provisions of this section has no bearing on the question of whether the Department had any authority in law to negotiate the agreement.

Now, Mr. Chairman, let us look at section 1102 of the Civil Aeronautics Act. This is the other side of the coin. Whereas section 802, as we have seen, put a limitation on the power of the State Department, namely, that in negotiating agreements with foreign gov-

ernments for the establishment or development of air navigation, whether by treaty or otherwise, it should advise and consult with the Civil Aeronautics Board, section 1102 provides that the Board, in exercising and performing its powers and duties under the Civil Aeronautics Act, shall have due regard for obligations assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries. Section 1102 does not convey any authority to the Civil Aeronautics Board. It is a restriction upon the Board. It refers to the powers and duties of the Board under this act. That is, the powers and duties granted by sections of the act other than section 1102. It provides that in exercising and performing its powers and duties under the act, the Board shall do so consistently with any obligation of the United States that may be in force between the United States and any foreign country or foreign countries. Note the language of the section:

"Any obligation assumed by the United States in any treaty, convention, or agreement that may be in force." This clearly contemplates that treaties, conventions, or other agreements may be entered into; and it provides that when they have been entered into, the Civil Aeronautics Board shall exercise and perform its powers and duties consistently with any obligations thus assumed by the United States. I think members of the committee will agree with me that a treaty, convention, or agreement is not in force between the United States and any foreign country unless it has been negotiated and entered into under existing constitutional or statutory authority. Thus the question of whether the Bermuda agreement was entered into under proper authority and is, therefore, binding on the United States, is a question preliminary to determination of whether the Civil Aeronautics Board, under the provisions of section 1102 of the Civil Aeronautics Act, must exercise and perform its powers and duties under that act consistently with the Bermuda agreement. Since it is necessary to show conclusively that the agreement is in force before we can apply to the Civil Aeronautics Board the restriction imposed by section 1102, certainly we may not put the cart before the horse and say that section 1102 makes the Bermuda agreement good, regardless of whether it was negotiated and consummated under proper authority.

So much for the question of the authority under which the Bermuda agreement was entered into. Now, Mr. Chairman, let us consider the question of the authority of the Civil Aeronautics Board to approve the IATA conference procedure.

Members of the committee will recall that Mr. Pogue took issue with Senator BREWSTER when the Senator made reference to the "Legal validity of the Board's assumption of jurisdiction here."

Mr. Pogue said, at that time—and I quote—"The authority to decide on this specific kind of a set-up is in section 412, and it specifically mentions this kind of thing on rates."

Section 412 of the Civil Aeronautics Act provides as follows:

"(a) Every air carrier shall file with the Authority a true copy, or, if oral, a true and complete memorandum, of every contract or agreement (whether enforceable by provisions for liquidated damages, penalties, bonds, or otherwise) affecting air transportation and in force on the effective date of this section or hereafter entered into, or any modification or cancellation thereof, between such air carrier and other air carrier, foreign air carrier or other carrier for pooling or apportioning earnings, losses, traffic, service, or equipment, or relating to the establishment of transportation rates, fares, charges,

or classifications, or for preserving and improving safety, economy, and efficiency of operation, or for controlling, regulating, preventing, or otherwise eliminating destructive, oppressive, or wasteful competition, or for regulating stops, schedules, and character of service, or for other cooperative working arrangements.

"(b) The Authority shall by order disapprove any such contract or agreement, whether or not previously approved by it, that it finds to be adverse to the public interest, or in violation of this act, and shall by order approve any such contract or agreement, or any modification or cancellation thereof, that it does not find to be adverse to the public interest, or in violation of this act."

Mr. Chairman, I was intimately concerned with the framing and enactment of the Civil Aeronautics Act of 1938. I spent a good deal of my time for many weary months laboring with this subject. We tried as best we could to anticipate every possible contingency, and to phrase the language of the act so carefully as to cover every such contingency. I am sorry if we failed. But I want to say, here and now, that if we had anticipated that any such interpretation would have been placed upon section 412 as has been placed upon it by the Civil Aeronautics Board in connection with the Board's approval of the IATA conference procedure, we should certainly have amended the language. This is one contingency we did not foresee. This section was intended to require the filing of tariffs by United States air carriers engaged in air transportation within the United States, over whose rates and fares the Board has jurisdiction. It was intended also to require the filing of agreements for joint rates and fares, for divisions of such fares, for pooling of equipment, and for various other matters which might be the subject of agreements between air carriers, whether foreign or domestic. It was also intended to require the filing of any agreements between an air carrier and any other carrier—rail or steamship, for instance, to the end that all such fares and agreements might be scrutinized by the Board before becoming effective. In writing the provisions of the act with respect to agreements between air carriers and other common carriers—those provisions are contained in section 1003 of the act—we used language which makes it clear that the rates, fares, and charges referred to were joint rates, fares, and charges. In writing the language of section 412, we were not, perhaps, quite so careful.

But I submit to you that the intent of the Congress in this connection is readily ascertainable from a reading of the act as a whole, even though it is not spelled out in the section cited. In fact, it is my belief that a reading of section 412 as a whole, without tearing any single phrase out of its context, makes it clear what the Congress intended. I am happy to say that at least one member of the Civil Aeronautics Board understood well enough what the Congress intended. I hope every member of the committee will read carefully, if he has not already done so, the minority opinion of Mr. Josh Lee in connection with the CAB decision on the IATA case. Let me quote one paragraph from Mr. Lee's opinion:

"I further recognize that it will be necessary for the carriers to arrive at understandings in order to facilitate the establishment of through service and joint rates. The Board can, therefore, at its discretion look favorably upon the agreements between connecting carriers for the interchange of traffic, for the coordination of schedules, for the establishment of through services, and for the fixing of joint rates. If these agreements are worked out directly between the connecting carriers themselves without involving other carriers, such agreements should have no ad-

verse effects upon the reservation of competitive incentives and the determination of competitive rates by the action of each carrier. That is, I believe, the type of agreement which Congress anticipated might receive the Board's approval under section 412 (b) of the act."

Mr. Chairman, I have spent perhaps too much time on the question of the intent of Congress in enacting section 412 of the Civil Aeronautics Act. I have done so because I feel particularly well qualified to express an opinion as to that intent, and because it is my belief the committee is entitled to whatever light I may be able to throw on that question. The real crux of the situation, however, is whether the Civil Aeronautics Board has acted within the authority conveyed by section 412, whatever that authority may be.

On this point I can do no better than to again quote Mr. Lee:

"The IATA traffic conference resolution or agreement is admittedly intended to facilitate rate fixing and other joint action with regard to the kind and amount of service to be furnished by international air carriers. Such negotiations or agreements would constitute violations of the antitrust laws of the United States unless the basic agreement providing for this concerted action is approved by the Board, which approval will, pursuant to section 414 of the act, relieve the persons affected from the application of the antitrust laws.

"Section 412 of the act directs that the Board disapprove any contract or agreement submitted to it that it finds to be adverse to the public interest. In my opinion"—and I want to say there, Mr. Chairman, that is not only Mr. Lee's opinion; it is my opinion as well—"the traffic conference agreement submitted to us herein is adverse to the public interest for the reason that it is incompatible with the carefully established international air policy of the United States, and no sound reasons have been advanced why we should abandon this policy, permanently or temporarily."

Mr. Chairman, it has been stated at this hearing that the IATA Conference procedure for fixing rates in international air transportation is a cartel agreement. I do not wish to labor this point, but so that members of the committee may ponder the matter for themselves, I want the record to contain a statement of what a cartel is.

Broadly speaking, a cartel is an agreement between companies, nominally competitive, to eliminate competition between them. Most cartel agreements contain provisions for the limitation of output, division of markets, and often for the fixing of prices. The word is often used interchangeably with the word "monopoly," although such use is probably not technically correct since the word "monopoly" also connotes the control of an industry by a single company as well as control by many companies operating through agreements. The word "cartel" does not apply to single-company domination, but rather applies to the understandings and agreements between companies for the joint control and private regulation of production and marketing. Cartel agreements are not necessarily formal or in writing.

The encyclopedia of the social sciences describes a cartel as an association based upon a contractual agreement between enterprises in the same field of business, which, while retaining their legal independence, associate themselves with a view to exerting a monopolistic influence on the market.

In common parlance the word more often refers to agreements between companies of different countries (sometimes cartels have been called private international economic governments), but the term does not necessarily refer merely to international agreements. It has also sometimes been used to refer to agreements between domestic companies, to regulate domestic production and marketing.

Now, Mr. Chairman, let me call the attention of the committee to a paragraph from the statement made by Mr. L. Welch Pogue, before this committee, on February 27. Mr. Pogue said—and I quote—"In addition to air transport rights in * * * strategic United Kingdom territories, it is also essential to obtain rights in several other strategic areas whose governments are guided by the United Kingdom in their policy and attitude toward air transport. Although obviously this agreement could not avoid landing rights in the territories of these sovereign countries, there is little doubt that the manifested willingness of the United Kingdom not only to cooperate with the United States but in large part, to embrace its basic air-transport policy, will be of great assistance in obtaining the necessary traffic rights in these other countries." Mr. Chairman, Mr. Pogue was talking about the Bermuda agreement. I submit that the language which I have just quoted means only one thing: That in negotiating the Bermuda agreement, we were dealing with Great Britain as the head of a cartel, and that we recognized that fact.

Mr. Chairman, I promised to discuss the question of the difference between a treaty and an executive agreement. We have had considerable difficulty with that question during the course of these hearings.

The letter of the Secretary of State, which was read to the committee by Mr. Miller, reporting on this bill, refers to numerous agreements with foreign countries respecting aviation, and declares that "in all of these cases the agreements have been consistent with and could be carried out under the terms of existing legislation." A little later in that statement, the Secretary of State points out that "throughout the history of this country, there have been numerous instances where foreign negotiations have been concluded through agreements authorized or approved by acts of Congress in one of the fields of congressional responsibility under the Constitution. So long as these agreements remain within the scope of declared congressional policy, there would appear to be no objection whatever to this procedure."

In other words, Mr. Chairman, the Secretary of State recognizes the principle that executive agreements must be carried out consistent with and under the terms of existing legislation, and within the scope of declared congressional policy. The authority for executive agreements, therefore, is statutory. Now, that being the case, certainly Congress can withdraw that authority, either with respect to specific statutes, or with respect to any particular field of negotiations. That should dispose of any contention that S. 1814 is either unconstitutional or improper. The authority for making executive agreements comes from Congress; and Congress can take it away or modify it or circumscribe it, as Congress will.

In that connection, I call the attention of the committee to the statement made by Mr. Miller on the occasion of his appearance before the committee on March 7, that the Bermuda agreement "was only deemed to be within the power of the Executive because of the existing authority vested in the Executive by virtue of previous legislation in Congress."

I am rather inclined to approve the definition of executive agreement offered by our chairman, who said that "an executive agreement is an agreement entered into by the executive department with another country, on behalf of the United States, founded upon an existing treaty or derived from an act of Congress and existing only so long as the authority of the Congress exists."

While Mr. Miller of the State Department, in his discussion of executive agreements, contended that one source of authority whereby foreign agreements may be concluded, other than as treaties, is the inherent constitutional power of the President as the Chief Executive and diplomatic officer

of the Government and Commander in Chief of the armed forces, to conclude agreements with foreign countries within the scope of his constitutional responsibilities, Mr. Miller went on, as I have pointed out, to make it clear that he does not consider the authority for making the Bermuda agreement, or similar agreements, to stem from this source. In fact, Mr. Miller cited what he referred to as, and I quote, "the various so-called executive agreements in the field of international civil aviation," as examples of agreements "concluded by the executive branch in conjunction with legislative action by the Congress under one of its delegated powers." And Mr. Miller went on to say that "while for want of a better term such an agreement is customarily referred to as an executive agreement, it might with equal correctness be called a congressional agreement, since in the nature of this type of instrument its provisions could not be binding upon, or carried out by, the United States without legislative action by the Congress." Pointing out that there may be several different methods in which action by the legislative and executive branches may be combined to bring into being an agreement of this nature, Mr. Miller said that "in the first place, an agreement may be entered into with a foreign country under general powers vested in the executive branch through previous action by Congress." He then cited the various so-called executive agreements in the field of international civil aviation as examples of this type of agreements.

On this question of treaties versus executive agreements, I am somewhat inclined to agree with William Ephraim Mikel, who wrote in his book *Limitations on the Treaty-Making Power* that something has been written on the extent of the treaty-making power of the President and the Senate. Little has been decided.

Article II of the Constitution, section 2, clause 2, gives the President the power to make treaties by and with the advice and consent of two-thirds of the Senate present at the time, and such treaties are the supreme law of the land. These constitutional provisions contain no definition of the word "treaty" or the words "executive agreements."

It has long been recognized that a treaty is not immutable, but rather is subject to acts of Congress. In 112 U. S. 580, the Supreme Court, back in 1884, declared that: "We are of opinion that, so far as a treaty made by the United States with any foreign nation can become the subject of judicial cognizance in the courts of this country, it is subject to such acts as Congress may pass for its enforcement, modification, or repeal."

Bouvier's law dictionary, third revision, volume 2, page 3312, defines a treaty as a compact between two or more independent nations with a view to the public welfare. Bouvier continues: "Treaties are for a perpetuity, or for a limited time. Those matters which are accomplished by a single act and are at once perfected in their execution are called agreements, conventions, and pactions, but the distinction in name is not always observed."

Here is another pertinent quotation from Bouvier's: "A treaty may supersede a prior act of Congress, and an act of Congress may supersede a prior treaty." And again: "When a treaty is inconsistent with a subsequent act of Congress, the latter will prevail, the Constitution does not declare that the law established by a treaty shall never be altered or repealed by Congress, and while good faith may cause Congress to refrain from making any change in such law, if it does so, its enactment becomes the law. No person acquires any vested right to the continued operation of a treaty. Although the other party to the treaty may have ground of complaint, still everyone is bound to obey the latest law passed."

In the case *Altman and Co. v. U. S.* (224 U. S. 583), the question was raised but not

decided, as to whether under the provisions of the Constitution of the United States an agreement is a treaty unless made by the President and ratified by two-thirds of the Senate.

Black's Law Dictionary, third edition, page 1752, defines a treaty as an agreement, league or contract between two or more nations or sovereigns, formally signed by commissioners properly authorized, and solemnly ratified by the several sovereigns or the supreme power of each State.

Mr. Charles Cheney Hyde's textbook on International Law, volume 2, page 1405, carefully points out that the Constitution contains no definition of a treaty and no statement declaring under what circumstances a conventional arrangement purporting to bind the United States must be dealt with according to the procedure that is mandatory in the case of treaties."

Mr. Green Haywood Hackworth, in his *Digest of International Law*, volume 5, page 390, cites with approval a memorandum prepared by a former solicitor of the Department of State, classifying agreements made by the Executive and not submitted to the Senate as (1) "Agreements made pursuant to authority contained in acts of Congress," and (2) "Agreements entered into purely as Executive acts without legislative authorization."

On page 402 of the same volume, Mr. Hackworth quotes Under Secretary of State Grew as follows:

"In addition to the authority of the President under the Constitution to negotiate and sign treaties with foreign governments and by and with the advice and consent of the Senate to ratify them, the Executive is empowered without legislative sanction to conclude with foreign governments certain classes of agreements which are not classified as treaties in the sense in which that term is used in the Constitution. These agreements are concluded by virtue of the authority inherent in the Chief Executive under the Constitution, and are confined to subject matter within the purview of his constitutional authority."

Mr. Wallace Mitchell McClure, in his book *International Executive Agreements*, at page 277, says: "Perhaps there is no exact definition possible of the expression 'executive agreements.' It is doubtless used to include international agreements made by the Executive (whether under statutory authority or not), but excluding those made by and with the advice and consent of the Senate. In this sense it is obvious that the term comprises agreements and acts of a quite varied nature; for while such an agreement may finally be made by the President or under his direction, it may in some cases have a very different basis of authority from others; it may rest on a statute; it may follow a treaty; it may be an exercise of the power of the President under the Constitution and without the aid of statute or treaty, such as a *modus vivendi* or an agreement for the determination of claims of American citizens against another country; or it may, as in the case of an armistice, be his act as Commander in Chief."

An article in the *Illinois Law Review*, volume 35, page 375, expresses the opinion that executive agreements "are not the supreme law of the land," that they "cannot invalidate conflicting previous legislation," and that they are "not binding on individual citizens"; but then expresses the final conclusion that they are "nonetheless binding on the Nation as a whole."

The article in the *Yale Law Journal*, which was quoted approvingly to this committee by Mr. Miller, of the State Department appears in volume 54. The committee might be interested to know that Mr. Miller deleted a phrase from the passage which he quoted. The full passage is as follows: "Despite many attempts to make distinctions between treaties and executive agreements in terms of form, subject matter and legal practical

consequences, and however surprising or even shocking the conclusion may be to any who have not examined the record, this common usage is the only distinction that the facts of our constitutional law and practice will sustain." This article continues: "There are no significant criteria, under the Constitution of the United States or in the diplomatic practice of this Government, by which the genus 'treaty' can be distinguished from the genus 'executive agreement' other than the single criterion of the procedure or authority by which the United States consent to ratification is obtained. More explicitly, agreements with other governments, when consummated pursuant to congressional authorization or when subsequently sanctioned by Congress, have the identical legal and practical consequences both under the municipal law of the United States and under international law, as treaties, consented to by two-thirds of the Senate. Agreements with other governments made pursuant to the President's authority alone, when within the scope of his independent powers, has furthermore, substantially the same status as treaties, except in some cases where there is contradictory legislation." Mr. Chairman, although the writer there states definitely his opinion that everything which is not a treaty is an executive agreement, he certainly implies by his choice of language that executive agreements fall into two classes, namely, agreements with other governments consummated pursuant to congressional authorization or subsequently sanctioned by Congress, and agreements with other governments made pursuant to the President's authority alone and within the scope of his independent powers. That is, to my way of thinking coming a good deal closer to a definition that Mr. Miller led us to believe.

This same article in the Yale Law Journal contains a very interesting comparison between treaties and executive agreements. It is printed in parallel columns. I believe the distinctions made are so important, particularly in view of the fact that the State Department has quoted this article with approval, that it is worth while to take up the time of the committee to call attention to at least some of them.

A treaty, this article points out, is like a constitutional amendment. It can deal with any subject appropriate to international negotiations. On the other hand, the article states, "An executive agreement is strictly limited. It can deal only with subjects especially delegated by Congress, or if made independently by the President, can deal only with normal powers vested in the Commander in Chief and principal diplomatic officer.

A treaty, says this article which the State Department regards as authoritative, can do what Congress cannot. It confers legislative power on Congress. On the other hand, the article declares, an executive agreement cannot do what Congress cannot. It cannot confer on Congress powers of legislation it did not have before.

A treaty, says this article, must be ratified to be binding. An executive agreement, on the other hand, "need not be ratified by the United States." Mr. Chairman, that language is interesting and the reason for it is explained in the next distinction which the article makes between treaties and executive agreements.

A treaty, says the article, binds the United States for its duration. It cannot be repealed by act of Congress except for domestic purposes only. The international obligation remains binding. An executive agreement, on the other hand, this article points out—and I quote—"Binds only as long as it suits both sides. It morally binds only the signing executive, not his successors. If they wish it to continue, it is by voluntary act. An executive agreement is subject to repeal

by act of Congress domestically and internationally. Unilateral indication of desire to terminate suffices. Repeal of authorizing statute suffices."

Mr. Chairman, it surprised me somewhat to find this comparison in the article from which the State Department representative was quoting. If Mr. Miller read this comparison, I cannot understand why he did not bring it to the attention of the committee. Perhaps he did not have time to read the whole article. The portion which he quoted was from about page 181. The comparison from which I am now quoting begins on page 628.

"A treaty," says this article, "has a special significance in constitutional law. It can repeal an act of Congress. An executive agreement is unmentioned in the Constitution and has grown only through the necessity of making agreements of a character not to warrant submission to the Senate. It can be repealed by Congress at any time, but cannot repeal an act of Congress. It can of course be nullified or abrogated by treaty, prior or subsequent."

The article points out that a treaty, under the Constitution, is the supreme law of the land, whereas an executive agreement, "with a few exceptions as to contrary State law or when made pursuant to act of Congress" is not supreme law of the land.

The article then points out that a treaty lasts, with unimportant exceptions, as long as its terms provide. On the other hand, the article states, an executive agreement—and I quote—"Is terminable at any time at the unilateral wish of one of the parties. This is true even if it purports to run for a given number of years. No successor to the President is bound by the latter's agreement, although he may consent to permit it to stand."

Mr. Chairman, this comparison concludes with what I consider to be something of a masterpiece of understatement. Pointing out that "no secret treaty can be made by the United States," the article states that: "An executive agreement invites secrecy since the President can make it without notifying anybody. Several secret agreements are now known."

Now, Mr. Chairman, I have just one more matter to discuss and I shall be through.

It has been loosely stated that S. 1814 would prohibit the executive branch of the Government from making any agreements respecting aviation. That is not so. The bill merely requires that certain types or kinds of agreements, in the field of international aviation, shall be made in the form of treaties if they are to be made at all. The kinds and types of agreements to which this requirement would be applied are carefully delineated in the bill. I know the committee will wish to consider this point, so let me paraphrase the bill to make this point clear.

One of the kinds of agreements which the bill would require to be made by treaty is an agreement with any foreign government restricting the right of the United States or its nationals to engage in air transport operations. That seems to be a perfectly proper provision. Restrictions on the right of American citizens to engage in international air transportation should not be made effective by this Government except through the orderly and constitutional processes which guarantee an opportunity for the persons affected by the proposed restrictions to have their day in court.

The next kind of agreement which the bill would require to be made by treaty is an agreement with any foreign government generally granting to such government or its nationals, or to any air line representing such government, any right or rights to operate in air transportation or air commerce other than as a foreign air carrier in accordance with the provisions of the Civil Aeronautics Act of 1938.

The Civil Aeronautics Act sets up a specific procedure and method for granting to foreign

air lines operating rights in the United States. It provides for notice and opportunity for hearing. It provides for findings with respect to public convenience and necessity. It provides for Presidential approval. That is the pattern laid down by the Congress. Nothing in S. 1814 would change that pattern. On the contrary, enactment of S. 1814 would insure that the procedure set forth by the Congress shall be followed. Since this procedure is laid down by an act of Congress it cannot legally be changed by an executive agreement. If it is to be changed, it must be changed by treaty or by a subsequent act of Congress. Therefore, the provision of S. 1814 that no attempt may be made to change this procedure except by treaty certainly does no violence either to the Constitution or to the principles of international law.

One other kind of agreement would be required, under S. 1814, to be made by treaty, if at all. That is, agreements with foreign governments respecting the formation of, or the participation of the United States in, any international organization for regulation or control of international aviation.

Mr. Chairman, participation of the United States in an international organization for regulation or control of international aviation necessarily involves giving up some part of the sovereignty of the United States. No such waiver of sovereignty should ever be made by the mere action of the executive branch. Here, if anywhere, is a proper field for the exercise of treaty powers. Here, again, is a matter of vital interest to the public; a matter upon which all interested persons should have an opportunity to be heard, and upon which the will of the people, expressed through their elected representatives, should be listened to.

Participation by the United States in an international organization for regulation or control of international aviation is a continuing matter, of considerable permanency. By any accepted definition, arrangements for such participation must be regarded as properly the subject of a treaty, rather than an executive agreement.

Those are the provisions of S. 1814. It does not usurp any powers of the President. It does not take away from the executive branch of the Government any powers which it legally has or can lawfully exercise. In a very large degree, this bill is only an attempted assertion of what is already the law.

This bill is an effective vehicle for the expression of the will of the Congress on this subject. A mere resolution by the Senate would not be effective.

This is a matter which cries out for assertion by the Congress of its right to form and control the policy of the United States. This bill is a means for asserting that right effectively and unequivocally, in the present instance. If the Congress, with all the evidence before it, refuses to assert its rights now, it will by its silence assume responsibility for what the executive agencies of the Government have done and may do; and if the result is loss by this country of its rightful place in world aviation, the fault will lie, in the eyes of the future, not with any official or department in the executive branch, but at the door of Congress, where it will then belong.

Mr. McCARRAN subsequently said: Mr. President, in the New York Times of March 10, 1946, there appeared a news article entitled "British Would Block United States Air Line in Italy." In keeping with the subject matter of my presentation earlier this afternoon, and in keeping with the study which is being made by the Senate Committee on Commerce with reference to the Bermuda agreement, the article to which I have referred is exceedingly interesting, and I ask unanimous consent that it be printed

in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH WOULD BLOCK UNITED STATES AIR LINE
IN ITALY

ROME, April 9.—The British are exerting pressure through their Embassy here on the Italian Government to hold up ratification of the Trans-World Airline contract with the Italians for joint operation of Italian internal airways, it was asserted here tonight by a highly qualified person.

This is the newest move in an earnest undercover fight, with no holds barred, which has gone on for months between American and British air interests. The whole proceedings are invested with a heavy air of mystery, which can no longer be laid to a need for "security" but which is assiduously maintained.

The contract between TWA and the Italian Government was signed February 11 and approved by the combined Chiefs of Staff. The Allied Commission so informed the Italian Government March 22. Ratification by the Italian Government is still necessary.

The British have been bitter over their exclusion from Italian internal traffic and claimed the contract was negotiated without their knowledge. That is difficult to understand, since the Allied Commission representatives, including the British, were necessarily in touch with all developments.

Now it is charged the British are black-mailing the Italian Government with suggestions that, although the British cannot prevent the execution of the contract, they can make life easier or more difficult for Italians when the peace treaty is negotiated.

VETERANS' EMERGENCY HOUSING ACT OF
1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The PRESIDENT pro tempore. The question now recurs on agreeing to the committee amendment as amended.

Mr. McCLELLAN. Mr. President, I send forward an amendment which I ask to have read.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 21 it is proposed to strike out lines 4 to 23, inclusive, and insert in lieu thereof the following:

SEC. 2. (a) There is hereby created an office to be known as Housing Expediter; and the President is authorized, by and with the advice and consent of the Senate, to appoint an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as an independent officer of the Government. In the event of an appointment of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his appointment hereunder. If, however, such Housing Expediter is appointed within an existing agency of the Government, he shall receive compensation in compliance with the laws and regulations applicable to officers within such agency; if the Housing Expediter is appointed as an independent officer of the

Government, he shall receive compensation at the rate of \$12,000 per annum.

Mr. BARKLEY. Mr. President, if the Senator yields, may I inquire if I am correct in stating that the amendment provides for senatorial confirmation of the Housing Expediter, no matter whether he be an existing official of the Government or is appointed within any existing agency, or as an independent officer of the Government?

Mr. McCLELLAN. That is the objective of the amendment.

Mr. BARKLEY. I have no objection to the amendment, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN] on page 21 of the committee amendment, as amended.

The amendment to the amendment was agreed to.

Mr. BUCK. Mr. President, I send forward an amendment which I ask to have stated. On page 39 of the bill, in line 8, after the word "than", I propose to strike out "600,000 000" and insert in lieu thereof "\$400,000,000."

Mr. President, I am opposed to subsidies, although yesterday I voted very reluctantly to retain subsidies in the bill. I did so because Mr. Wyatt, who appeared before the committee, gave us to understand that unless he had access to money for premium payments, this bill would not be effective. He stated that he would not be able to provide for the erection of houses as rapidly as we all want them to be constructed in order that they may be made available to veterans. He did not, however, to my satisfaction, tell us why \$600,000,000 was fixed upon. He may have reached out into the air and gotten it, but, be that as it may, it is questionable whether it is too much or too little. I should much prefer to see the sum cut down and the Administrator come to Congress again and ask for an additional sum if he finds, in due time, that additional money is needed.

Mr. President, I hope the amendment I have offered will be agreed to.

Mr. BARKLEY. Mr. President, I do not like to find it necessary continually to be rising, seemingly monopolizing all the time, but I hope the pending amendment will not be agreed to. It was estimated before the committee that there would be a total of almost \$14,000,000,000, at the retail level of building materials, necessary for the 2-year period, and this is a 2-year program. On the producers' level it would be a little above \$9,000,000,000. It is estimated that there would be premium payments made upon 30 percent—we provided in the bill that it could not be beyond 30 percent—of the total amount of material. That would make it necessary to spend on the whole program a total of \$426,000,000 in premium payments for the conventional material.

The Senate has authorized the Expediter to pay premium payments upon new materials which will amount to \$200,000,000. In other words, the total amount estimated to be necessary to carry out the 2-year program is \$626,000,000, but we are providing for only \$600,000,000 as the maximum allowable under the bill.

If we cut this amount below \$600,000,000, the Expediter must make his plans for the 2-year period according to the cloth he has. He cannot depend upon coming back to Congress at the beginning of 1947 and getting more money if he finds he needs it. He has to prepare a program for 1946 and 1947.

We have authorized the Expediter to use the premium payments. Certainly we are not going to be niggardly with him and hobble him in carrying out the program which we have authorized, by reducing the amount by one-third. If it turns out not to be necessary to use the entire \$600,000,000, it will not be used, but if we cut it to \$400,000,000 the Expediter will be required to prepare his plans for 1946 and 1947 based upon the \$400,000,000 figure. He cannot go beyond that by one cent, and it would be entirely too late, anyway, to come back to Congress next January or February, or sometime in 1947, and try to amend his program so as to make it what it is necessary to make it now, in order that the 2-year program can be carried forward. I hope the amendment will not be agreed to.

Mr. TAFT. Mr. President, in the first place, the Expediter has no program. He is able to say that here and there he needs premium payments. So far as making up a program as to where premium payments are to be made is concerned, he has not even gotten to that point yet.

The \$600,000,000 is an appropriation. The Committee on Appropriations will never get another look at this money. It is handled in the same manner as subsidies have been handled. It will be handled by the RFC borrowing money to pay it, so that in effect we are now not only authorizing the \$600,000,000 but we are making the appropriation. We are doing what we are refusing to do for every other department of the Government: we are at one time making an appropriation for 2 years.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. It is not an appropriation in the ordinary sense. It is authority to the Reconstruction Finance Corporation to provide the premium payments to the extent of \$600,000,000, as they have provided other payments out of money from sources available to them. It is not necessary for the Reconstruction Finance Corporation to come to the Committee on Appropriations or to Congress every time it makes premium payments, or pays subsidies, or whatever it may pay. The Committee on Appropriations does not have any jurisdiction over this amount, in the sense that it is an appropriation. It is authority to the Reconstruction Finance Corporation to use this amount, and, if necessary, in making premium payments, to obtain the amount from the sources from which it has received other funds.

Mr. TAFT. I do not think there is anything the Senator from Kentucky has said which contradicts anything I have stated. It is not really an appropriation, but in effect it is an appropriation. Unlike the situation in the case of most authorization bills, it is not necessary to come back to Congress for an appropri-

tion. That is the point I am trying to make. If the Expediter did have to come back, I am quite certain that in this case the Committee on Appropriations would give him only the money he needed for 1946, or for the fiscal year 1946.

The \$600,000,000 is to be spread over all of 1946 and all of 1947. It seems to me we should have another look at the program. Even its most earnest advocates must admit it is an experimental program. I think the amount should be cut to \$400,000,000, and when Congress meets next January, if the experiment is a success, and if it is necessary to continue it, we can give the Expediter the other \$200,000,000.

If we appropriate the \$600,000,000, we cannot stop the program without direct and positive legislation, which probably could not be adopted, but if the Expediter needs more money he can return to Congress, and we can decide whether the program shall continue through the year 1947. I think we should have another look at the program.

Furthermore, if we give him now the \$600,000,000, there is absolutely nothing in the bill to prevent his spending all of the \$600,000,000 in 1946, and then coming back at the end of 1946 and saying, "I have established these rates, and they should not be changed, and I want more money."

It seems to me perfectly logical, assuming that \$600,000,000 is to be spent over the whole program, if it continues, that we limit the appropriation at this time to \$400,000,000, with the invitation to the Expediter to return next January, if he wishes, and if the program is a success we can look it over at that time, and retain the power in our hands to stop the program then if we think it should be stopped.

Mr. President, that is the purpose of offering the amendment, and on the amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, just one word in reply to one of the suggestions of the Senator from Ohio. He says the Expediter has no program. He has a program. He has a program of 1,200,000 houses in 1946 and 1,500,000 in 1947, which makes a total of 2,700,000 houses for veterans.

Two hundred thousand of those houses are provided for by appropriations which we have already made for veterans' housing, which reduces the number to 2,500,000. If we reduce the authorization by one-third, we reduce the number of houses in the program by one-third, and instead of getting 2,700,000 houses in 1946 and 1947, we will get about 1,600,000, plus the 200,000 for which we have already provided.

It will be impossible for the Expediter to bring about the necessary increase in production, which is the prime objective of the premium-payment program, if he has to wait until 1947 to begin the process of increasing production for the houses to be built in 1947.

The result will be that he will have to thin out his program and spread it out over a 2-year period, which will make it impossible to build the number of houses called for by the program.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. Is the \$600,000,000 intended to cover a 2-year program?

Mr. BARKLEY. It is.

Mr. VANDENBERG. What would be the objection to a slight protection at this point to insure that it is not all exhausted in the first year, so that we then would confront the necessity of making a supplemental appropriation? In other words, I am asking the Senator what his reaction would be to an amendment which said, "Provided that not more than \$600,000,000 shall be used for such premium payments, of which not more than \$400,000,000 shall be used or obligated during the calendar year 1946."

Mr. BARKLEY. It may be necessary in 1946 to enter into contracts with producers by which they will be paid the premium on the increased production in 1947, or during the period 1946 and 1947. There ought not to be any prohibition against making provision in advance for the payment of the amount that will be due in 1947.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. There is nothing that I know of relating to any contract with producers. No premium payments up to date have been made under contract. The private producers have announced what they are going to do, and when they stop doing it they will stop doing it. I would say that if we were going to limit the expenditure in 1946 it ought to be limited to \$300,000,000 in 1946, because we have only part of the year to consider, as against 1947, if it is only payments that are involved. If obligations are involved, then I can agree to the \$400,000,000 figure, because I take account of the fact that we have to provide for the first 3 months of 1947.

Mr. BARKLEY. I will say to the Senator from Michigan that there is this difficulty about it. What we need is an increase in production of building materials, not only for the building of veterans' homes, but for the building of other homes. If possible, we should stimulate production to the extent that all these homes could be built, and others besides, that is other construction. If it is possible to increase the production of building materials in 1946 to carry out the veterans' program in 1946 and 1947, it is doubtful whether the Expediter ought to be restricted in his ability to pay premiums on a sufficient amount of building materials to carry out the program.

Mr. VANDENBERG. That is the reason for my suggestion. I suggested \$400,000,000 for 1946. I think there is force in the suggestion that, inasmuch as we have authorized the program, we ought to authorize the payments. But I think it may also be said, as the result of our experience with subsidies, Mr. President, that when once a program of this sort is initiated we too frequently confront an expansion of the program to such an extent that it exceeds anything we originally contemplated.

Mr. BARKLEY. That could not take place under this legislation unless Con-

gress hereafter increases the amount beyond the \$600,000,000.

Mr. VANDENBERG. I quite understand that; but if the Expediter spends the entire \$600,000,000 in 1946, whereas he has already been committed to another year of operations, he would be in pretty good position to come here and justify his additional request.

Mr. BARKLEY. No. This is what would happen in that case: If he paid out in 1946 enough premium payments to bring about the increased production necessary to carry out this program it would mean that there would be enough building material available in the beginning of 1947 almost to guarantee that the program for that year could be continued.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CONNALLY. If the \$600,000,000 can be spent legitimately in 1946, why does anyone want to postpone the spending of any of it to 1947? The need is now, and the more quickly these houses can be constructed, or the more quickly they can be contracted for or obligated for, the more desirable it is.

Mr. VANDENBERG. Very well. Let us apply it all to this year.

Mr. CONNALLY. I make that statement simply in answer to what the Senator from Michigan said.

Mr. BARKLEY. The objective of the \$600,000,000 is to stimulate production of building material. If we stimulate it sufficiently in 1946 to bring about the increase in building material sufficient to carry out the program, there is a serious question whether the Expediter should be required to wait until 1947 to pay premium payments on products of 1946 for the program.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. I simply want to add that I am sorry to say I cannot conceive of a situation, under our experience with subsidies, which would lead me to the optimism that even if the scheme succeeded as completely as the Senator from Texas envisions and the \$600,000,000 were spent successfully in the first year, there would then be a voluntary abandonment of the program in the year following. That would be just a nature fake.

Mr. BARKLEY. The voluntary abandonment of the program, of course, would not involve the program for building of houses, which the Government is not doing. It is stimulating the production of the material necessary to build the houses in the 2-year period.

Mr. President, regarding subsidies, the constant increase in authorization is more apparent than real. As a matter of fact a considerable amount of the subsidies authorized has already been saved and reallocated to another purpose, to be expended up until the 1st of July of this year. We did not increase the appropriation. We did not increase the authorization. But we transferred the savings in an amount authorized for subsidies in one category over to another in order to carry on the program until

June 30, at which time the OPA situation will be gone into.

Mr. VANDENBERG. I will say to the Senator that I certainly do not intend to cut the appropriation with respect to the 2-year program. But I should like an opportunity to vote to be sure that we are financing a 2-year program.

Mr. BARKLEY. I agree with that objective. I think that is what we are doing. But if we say that the Expediter can spend so much of it in 1946 and so much of it in 1947, it might turn out that he would be handicapped in paying the premiums necessary to get the materials essential to begin the program of 1947 by the time 1947 arrives.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Delaware [Mr. BUCK] on page 39, line 7, to strike out "\$600,000,000" and insert in lieu thereof "\$400,000,000."

Mr. BUCK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WALSH. I announce that the Senator from Pennsylvania [Mr. MYERS] is attending a meeting of the Board of Visitors at the Naval Academy in Annapolis. If present and voting, he would vote "nay."

Mr. BANKHEAD. I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who if present and voting would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. MYERS], who if present and voting would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Maine [Mr. BREW-

STER] and the Senator from Michigan [Mr. FERGUSON] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. BUTLER] have general pairs which have been heretofore announced and transferred.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Indiana [Mr. WILLIS] would vote "yea" if present.

The result was announced—yeas 25, nays 50, as follows:

YEAS—25

Ball	Hickenlooper	Saltonstall
Brooks	Langer	Smith
Buck	McClellan	Taft
Byrd	Millikin	Wherry
Capehart	O'Daniel	Wiley
Capper	Overton	Wilson
Gerry	Reed	Young
Gurney	Revercomb	
Hart	Robertson	

NAYS—50

Aiken	Hatch	Morse
Austin	Hawkes	Murdoch
Bankhead	Hayden	Murray
Barkley	Hoey	O'Mahoney
Bilbo	Johnson, Colo.	Pepper
Briggs	Johnston, S. C.	Radcliffe
Bushfield	Kilgore	Shipstead
Carville	Knowland	Stewart
Connally	La Follette	Taylor
Cordon	McCarran	Thomas, Okla.
Donnell	McFarland	Thomas, Utah
Downey	McKellar	Tunnell
Ellender	McMahon	Vandenberg
Fulbright	Magnuson	Wagner
Gossett	Maybank	Walsh
Green	Mead	Wheeler
Guffey	Mitchell	

NOT VOTING—21

Andrews	Ferguson	Myers
Bailey	George	Russell
Brewster	Glass	Stanfill
Bridges	Hill	Tobey
Butler	Huffman	Tydings
Chavez	Lucas	White
Eastland	Moore	Willis

So Mr. BUCK's amendment was rejected.

Mr. BARKLEY. Mr. President, I wish to offer an amendment which I am sure will be agreed to. The amendment is on page 32, to strike out lines 4 to 9, inclusive.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. On page 32, after line 3, it is proposed to strike out:

If the buyer fails to bring an action under this subsection within 60 days from the date of the violation, the Expediter may bring such action on behalf of the United States within 1 year from the date of the violation. If such action is brought by the Expediter, the buyer shall thereafter be barred from bringing an action for the same violation.

Mr. BARKLEY. Mr. President, the language proposed to be stricken out provides that if the buyer fails to bring an action under the subsection within 60 days from the date of the violation, the Expediter may bring such action on behalf of the United States within 1 year. Personally, I do not think it is important. If the purchaser of a house who has been compelled to pay more than the ceiling price is not willing to bring suit to recover the difference, I do not see why the Expediter should be charged with that obligation. Therefore, I offer the amendment to strike out lines 4 to 9, inclusive, on page 32.

The PRESIDENT pro tempore. The question is on agreeing to the amend-

ment offered by the Senator from Kentucky [Mr. BARKLEY].

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I wish to say to the Senator from Michigan [Mr. VANDENBERG], with reference to the suggestion which he made a while ago to limit the expenditure of the 1946 budget to \$400,000,000, that the bill must go to conference. There is nothing in the House bill with reference to premium payments, and I should like an opportunity to look into the feasibility of the suggestion, to see whether such a limitation would be harmful. If it would not interfere with the program, I should be glad, in conference, to try to arrive at such a limitation of the expenditure. I think we can do it a little more intelligently in conference than here on the floor of the Senate.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. At what point may the title be amended?

The PRESIDENT pro tempore. After the passage of the bill.

Mr. CORDON. Mr. President, do I correctly understand that the title may be amended only after the passage of the bill?

The PRESIDENT pro tempore. Only after the passage of the bill.

Mr. JOHNSON of Colorado. Mr. President, I have an amendment on the desk. I shall not press it because I have just been informed that the FHA and the NHA both prefer title VI in the present legislation to the amendment which I was about to offer.

I ask unanimous consent that my amendment be printed in the RECORD at this point as a part of my remarks.

There being no objection, the amendment intended to be proposed by Mr. JOHNSON of Colorado was ordered to be printed in the RECORD, as follows:

Amend paragraph (b) of section 711 by striking the period at the end thereof, inserting a colon and adding the following: "Provided further, That if the dwelling is designed for a single-family residence and the mortgagor is the owner and occupant of the property at the time of the insurance and is a person who is eligible for the benefits of title III of the Servicemen's Readjustment Act of 1944, as amended, the mortgage may involve a principal obligation not to exceed 100 percent of the Administrator's estimate of the necessary current replacement cost of the property, which otherwise complies with the provisions of this paragraph: And provided further, That any excess in the amount of the mortgage over 90 percent of the estimated necessary current replacement cost of the property shall be endorsed on the veteran's discharge or eligibility certificate, together with a notation of the type of insurance used, and such endorsement shall have the same effect upon the aggregate amount of the guaranty available to such veteran under the provisions of section 500 (a) of the Servicemen's Readjustment Act of 1944, as amended, as if such excess had been fully guaranteed under the provisions of title III of such act."

Mr. CORDON. Mr. President, I move that the bill be amended by striking out all the language appearing in lines 21 and 22, on page 19, the language reading as follows:

That this act may be cited as the "Veterans' Emergency Housing Act of 1946."

In my opinion, that title is a misnomer. I do not believe that the Act should be cited as the "Veterans' Emergency Housing Act of 1946," or held out to anyone as such an act. It is a housing act for 140,000,000 people, of whom not more than 12,000,000 are veterans.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

Mr. BARKLEY. Mr. President, just a word about the pending amendment. The title was changed by the committee because, instead of being a mere technical amendment to the present housing laws, it is a bill intended to expedite the production of building material primarily for the benefit of veterans.

I hope the amendment will not be adopted.

Mr. MILLIKIN. Mr. President, I should like to read into the RECORD excerpts from a telegram pertinent to the pending bill which I have received from an American Legion post in Denver, Colo., of which I am a member:

At a regular meeting of Leyden-Chiles-Wickersham Post, No. 1, of American Legion, which has membership of over 8,300 and is the second largest post in the United States, it was voted to urge your opposition to the Patman Act and all similar legislation that will result in socialization and regimentation of housing. Since VJ-day continued Government wartime controls have prevented the huge construction industry from building homes needed by veterans, thus also denying employment to hundreds of thousands of veterans and other labor. Government agencies offer as a substitute unsound new legislation. Such proposed solution by public housing propagandists is opposed by veterans. Private enterprise throughout the country is ready with experience, building sites, and money to build more low-priced homes faster and better than any municipal, State, or Federal bureau, but because of Government policies materials and equipment are not available to them. In Denver alone 1,814 low-priced homes stand uncompleted because of lack of materials. We recommend that positive action be taken as follows:

1. Defer for 1 year all nonessential Federal, commercial, and industrial construction, plus construction of deluxe price residences.

2. Lifting of price ceilings to enable full-scale production of materials and equipment used in homes to be built in the United States of America.

3. Prohibition of continued wholesale foreign shipments of lumber and other building materials.

4. FHA be made responsible that veterans be given 30 days preference to purchase or rent new homes and apartments and for other directives to implement the spirit of low-priced homes for veterans.

The time has come for a show-down whether the United States of America is going to become socialistic or remain a strong nation of free enterprise.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON], on page 19, after line 20, to strike out "That this act may be cited as the 'Veterans' Emergency Housing Act of 1946.'" [Putting the question.]

Mr. MILLIKIN. Mr. President, I ask for a division.

Mr. BARKLEY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WALSH. I announce that the Senator from Pennsylvania [Mr. MYERS] is attending a meeting of the Board of Visitors at the Naval Academy in Annapolis. If present and voting he would vote "nay."

Mr. BANKHEAD. I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who, if present and voting, would vote as I intend to vote. Therefore, being at liberty to vote, I vote "nay."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. MYERS], who, if present and voting, would vote as I intend to vote. I am, therefore, free to vote, and I vote "nay."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], and the Senator from Virginia [Mr. GLASS], are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], and the Senator from Illinois [Mr. LUCAS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Maine [Mr. BREWSTER] and the Senator from Michigan [Mr. FERGUSON] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. BUTLER] have general pairs which heretofore have been announced and transferred.

The result was announced—yeas 31, nays 45, as follows:

YEAS—31

Austin	Hawkes	Shipstead
Ball	Hickenlooper	Smith
Brooks	Langer	Stanfill
Buck	Millikin	Taft
Bushfield	Morse	Vandenberg
Capehart	O'Daniel	Wherry
Capper	Overton	Wiley
Cordon	Reed	Wilson
Donnell	Revercomb	Young
Gurney	Robertson	
Hart	Saltonstall	

NAYS—45

Aiken	Byrd	Fulbright
Bankhead	Carville	Gerry
Barkley	Connally	Gossett
Bilbo	Downey	Green
Briggs	Ellender	Guffey

Hatch	McFarland	Pepper
Hayden	McKellar	Radcliffe
Hoey	McMahon	Stewart
Johnson, Colo.	Magnuson	Taylor
Johnston, S. C.	Maybank	Thomas, Okla.
Kilgore	Mead	Thomas, Utah
Knowland	Mitchell	Tunnell
La Follette	Murdock	Wagner
McCarran	Murray	Walsh
McClellan	O'Mahoney	Wheeler

NOT VOTING—20

Andrews	Ferguson	Myers
Bailey	George	Russell
Brewster	Glass	Tobey
Bridges	Hill	Tydings
Butler	Huffman	White
Chavez	Lucas	Willis
Eastland	Moore	

So Mr. CORDON's amendment was rejected.

The PRESIDENT pro tempore. The question now recurs on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill was read the third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass.

Mr. BARKLEY. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, before the roll is called, I wish to say that yesterday, during the colloquy between the Senator from Louisiana [Mr. OVERTON] and myself, I stated that the American Federation of Labor has endorsed this legislation in its entirety. I have received a letter from Mr. Harry C. Bates, chairman of the housing committee of the American Federation of Labor. Attached to his letter he sends me a statement issued by the housing committee of the American Federation of Labor. The statement contains their recommendations with respect to this legislation, and in the statement they deal with various phases of the legislation, including the maximum resale prices on existing homes, priorities and allocations, and extension of emergency wartime FHA insurance under title VI, which is included in the bill, and various other provisions. I ask unanimous consent that the statement, together with Mr. Bates' letter, be printed at this point in the RECORD.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR,

Washington, D. C., April 10, 1946.

HON. ALBEN W. BARKLEY,
United States Senate,

Washington, D. C.

DEAR SENATOR BARKLEY: In the course of the debate on the veterans' emergency housing bill (H. R. 4761) you stated that the American Federation of Labor "has endorsed this legislation in its entirety." Attached is a copy of a statement setting forth the official views of the American Federation of Labor with regard to this legislation, calling for a number of important changes which we believe essential to protect the interests of the veterans and others against foisting on them high-priced, substandard housing which the present version of the bill would foster.

Your efforts to perfect this legislation along the lines recommended will be appreciated.

Sincerely yours,

HARRY C. BATES,
Chairman, Housing Committee,
American Federation of Labor.

STATEMENT BY THE HOUSING COMMITTEE, AMERICAN FEDERATION OF LABOR, ON H. R. 4761 (THE PATMAN VETERAN HOUSING BILL) AS APPROVED BY THE SENATE BANKING AND CURRENCY COMMITTEE

In a letter to the President on February 8, 1946, the American Federation of Labor expressed its support of the veterans' emergency housing program and made certain recommendations regarding standards and procedures which this program should embody. A copy of that letter is attached.

The following is a statement of our views regarding the Patman bill (H. R. 4761) as approved by the Senate Banking and Currency Committee.

MAXIMUM RESALE PRICES ON EXISTING HOMES

The amendments of the Senate committee are directly in accord with the recommendation made by the A. F. of L. that control to prevent further inflation in the price of existing housing be accomplished by placing a ceiling on resale of residential properties, including land, after the first bona fide sale. While we consider the original version of the price control provisions, as proposed in the House in the Patman bill, too broad, general, and, therefore, administratively unworkable, we believe that with the Senate amendments this section becomes wholly acceptable and recommend its adoption in that form.

PRIORITIES AND ALLOCATIONS

Allocation of scarce building materials to assure construction of urgently needed housing was urged by the A. F. of L. nearly a year ago. Last summer and last fall we urged that the wartime limitation order on building materials be replaced with an allocation order which would assure orderly transition in the supply of scarce building materials. This advice was ignored by the Director of the Office of War Mobilization and Reconversion who directed the repeal of the wartime order without any affirmative action to meet the emergency. This has greatly contributed to the scramble for scarce materials and the resulting maldistribution of material supplies, has stimulated much speculative commercial building of small structures throughout the country, and has made the shortages more acute.

The provisions of the bill dealing with priorities and allocations of building materials are in accord with our previous recommendations. We believe, however, that in this portion of the legislation Congress should recognize that certain types of non-residential construction are needed just as much as homes in order to meet the housing emergency itself and in order to speed reconversion. The proposed act contemplates construction of housing on a large scale. This means development of new neighborhoods and of whole housing projects. It will create an immediate need for new schools, hospitals, and other community facilities to serve this new housing development. Materials needed for utilities—water, sewage, streets, sidewalks, etc., must also be safeguarded. In addition, there will be continued urgent need for industrial construction related to reconversion. There will be many instances of such industrial construction related to reconversion which will bear directly on the expansion of production and employment. We doubt that it is the intent of Congress to assure needed homes to veterans and others, and at the same time deprive them of job opportunities and, therefore, incomes which would enable them to pay for these homes, by stopping industrial construction necessary for productive expansion. In view of this, we ask that

statutory provision be made in the proposed system of priorities and allocations to give equal priority status to schools, hospitals, community facilities, industrial construction related to reconversion, and other necessary nonresidential building. In order to make this type of construction eligible for scarce materials without which it cannot be built.

EXTENSION OF EMERGENCY WARTIME FHA INSURANCE UNDER TITLE VI

The Patman bill would extend title VI of the National Housing Act and provides for a further increase in the maximum mortgage amounts insurable by FHA under that title. We reiterate our vigorous opposition to the extension of title VI and disagree strongly with Mr. Wyatt's view that this extension will in any way contribute to the solution of the housing emergency. We believe that the form in which this title is proposed will do nothing but fleece the veteran and the taxpayer by having the Federal Government underwrite mortgage loans at excessive interest rates for emergency-built homes of questionable quality, financed without any risk to the lender. What justification is there for a 4-percent interest rate when a 90-percent commitment by the Government gives the lender an effective 100-percent guarantee and renders the loan absolutely riskless? The committee itself admits that "it is more than likely that much of this housing under title VI will be priced at more than \$6,000" and that "at least half of the veterans and their families cannot afford housing in this price range." Actually the proposed title raises the maximum price to \$9,000 for a single family house. Most houses during the emergency will be priced near or at the maximum. There are almost no veterans who can afford \$9,000 homes. Clearly, then, this provision is designed to benefit not the veteran but the speculative builder.

Titles III and IV of the Wagner-Ellender-Taft general housing bill, S. 1592, as introduced on November 14, 1945, provide a sound, effective, and well-designed program of bringing a large volume of rental housing, as well as sale housing, within the reach of veterans and other families of modest means. We urge that this peacetime extension of wartime title VI be stricken from the proposed bill, and that, instead, Congress give its prompt and unqualified approval to S. 1592.

PREMIUM PAYMENTS AND GOVERNMENT MARKETING

The American Federation of Labor could not support the Monroney amendment on premium payments which was considered and rejected by the House. We offered a number of specific objections to that amendment, which gave a blanket delegation of authority to the Housing Expediter for the disbursement of these incentive payments and set no minimum standards for the products to be produced with the aid of public funds. The Senate committee version meets most of our objections to the form of the Monroney amendment on premium payments which was considered and rejected by the House. The standards which the Housing Expediter must apply under section 13 (b) of the Senate committee version are in general accord with the recommendations of the American Federation of Labor. However, even in this form, the bill does not provide the safeguard which we insist, is vital to the veterans and other home buyers. In return for special financial aid the Federal Government should require that minimum standards of durability, livability, and safety be met by the producers of homes receiving such aid. Sections 11 (a) (5) and 12 (a) (5) merely provide that materials produced and houses built with such aid be tested for sound quality, and, in the case of houses, for durability, livability, and safety. Nowhere in the bill is there a requirement that a minimum standard of quality of ma-

terials and of durability, livability, and safety of homes be met as a condition of financial aid and with proper provision for compliance. Nor is there a requirement that producers and builders receiving premium payments pay not less than the minimum wage standards prevailing in the locality.

Apart from this consideration, we have grave doubts regarding the soundness of the proposal to put the Government in the marketing business. Of all the problems surrounding the present crisis and likely to persist for some time, ready sale of available good homes is certainly not one. If it is contemplated that the Government is to market the homes it buys at a loss, such a double subsidy should be clearly spelled out in the statute and the intent of Congress with respect to it stated in unmistakable terms. If the Congress does authorize the market-guaranty procedure, it is its clear duty to spell out specific minimum standards for the products it proposes the Government would be marketing. Without such specific standards the effect of the enactment would be to leave the marketing of good housing in private hands while making it the responsibility of the Government to act as an agent for dumping substandard homes, bearing the seal of the United States, upon the unsuspecting veteran.

It is the hope of the American Federation of Labor that H. R. 4761 may be perfected in accordance with the foregoing recommendations and that, with these changes, it will be promptly enacted into law.

HOUSING COMMITTEE,
AMERICAN FEDERATION OF LABOR,
HARRY C. BATES, *Chairman*.
BORIS SHISHKIN, *Secretary*.

Mr. WHERRY. Mr. President, a telegram has been sent to me by R. J. Gray, chairman of the executive council of the building trades department, and Herbert Rivers, secretary-treasurer of the building trades department. The telegram reads as follows:

APRIL 10, 1946.

Senator WHERRY,
United States Senate,
Washington, D. C.:

There appears on page 3418 of CONGRESSIONAL RECORD of April 9, 1946, the following statement made by Senator BARKLEY in addressing the Honorable Senator OVERTON: "Does the Senator from Louisiana realize that the American Federation of Labor, which contains within its membership practically all the building trades of the United States, has endorsed this legislation in its entirety?" We have this day wired Senator BARKLEY that he is mistaken in this statement that the building and construction trades department of the American Federation of Labor has not and does not endorse the proposed veterans housing legislation in its entirety. We are submitting to the Honorable Senator TAFT and Senator BARKLEY written statement of the position of the building and construction trades department on this bill signed by Harry C. Bates, chairman of the A. F. of L. housing committee.

R. J. GRAY,
Chairman, Executive Council Building Trades Department.

HERBERT RIVERS,
Secretary-Treasurer, Building Trades Department.

Mr. BARKLEY. Mr. President, I wish to say that I have not seen that telegram. Although it may be at my office, I have not seen it at all.

Mr. WHERRY. I have submitted it in order to clear the record.

Mr. BARKLEY. I do not object to that. But the colloquy to which reference has been made occurred yesterday under circumstances which all of us can

remember, and I simply wished to put the American Federation of Labor on record as it wishes to be put on record.

The PRESIDENT pro tempore. The question is, Shall the bill pass. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "yea."

Mr. WALSH (when Mr. MYERS' name was called). I announce that the Senator from Pennsylvania [Mr. MYERS] is attending a meeting of the Board of Visitors at the Naval Academy in Annapolis. If present and voting, he would vote "yea."

The roll call was concluded.

Mr. BANKHEAD. My colleague, the junior Senator from Alabama, is absent on account of the death of his father. If present and voting, he would vote "yea."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

I wish to announce further that, if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senators from Georgia [Mr. GEORGE] and Mr. RUSSELL, the Senator from Illinois [Mr. LUCAS], and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Maine [Mr. BREWSTER] and the Senator from Michigan [Mr. FERGUSON] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] has a general pair which has been heretofore announced and transferred.

The Senator from Michigan [Mr. FERGUSON], the Senator from New Hampshire [Mr. TOBEY], and the Senator from

Indiana [Mr. WILLIS] would vote "yea" if present.

The result was announced—yeas 63, nays 14, as follows:

YEAS—63

Aiken	Hart	Murray
Austin	Hatch	O'Mahoney
Bankhead	Hayden	Pepper
Barkley	Hoey	Radcliffe
Bilbo	Johnson, Colo.	Reed
Bridges	Johnston, S. C.	Saltonstall
Briggs	Kilgore	Shipstead
Buck	Knowland	Smith
Byrd	La Follette	Stanfill
Capehart	Langer	Stewart
Capper	McCarran	Taft
Carville	McClellan	Taylor
Connally	McFarland	Thomas, Okla.
Donnell	McKellar	Thomas, Utah
Downey	McMahon	Tunnell
Ellender	Magnuson	Vandenberg
Fulbright	Maybank	Wagner
Gerry	Mead	Walsh
Gossett	Mitchell	Wheeler
Green	Morse	Wiley
Guffey	Murdock	Young

NAYS—14

Ball	Hawkes	Revercomb
Brooks	Hickenlooper	Robertson
Bushfield	Millikin	Wherry
Cordon	O'Daniel	Willson
Gurney	Overton	

NOT VOTING—19

Andrews	George	Russell
Bailey	Glass	Tobey
Brewster	Hill	Tydings
Butler	Huffman	White
Chavez	Lucas	Willis
Eastland	Moore	
Ferguson	Myers	

So the bill H. R. 4761 was passed.

The PRESIDENT pro tempore. The question now is on the amendment to the title as reported by the committee.

Mr. TAFT. Mr. President, I invite the attention of the majority leader to the fact that, in the first place, the words "and existing" and the words "and real estate" were stricken out of the bill, so the title does not conform to what the bill contains.

In the second place, the availability of housing should be stated at least as it is stated in section 1 of the bill. There the language reads:

The long-term housing shortage and the war have combined to create an unprecedented emergency shortage of housing, particularly for veterans of World War II—

And so forth. I think the title of the act should be amended so as to read, in part, "An act to expedite the availability of housing, particularly for veterans of World War II."

Mr. BARKLEY. Mr. President, that would not be an appropriate title.

Mr. TAFT. Mr. President, I think the title should conform to what is stated in section 1. There the language reads "particularly for veterans." The words "and existing" and the words "and real estate" in the last line of the title should be stricken out.

Mr. BARKLEY. Mr. President, I do not believe that is essential. If there is any change to be made in the wording of the title, it can be done in conference.

Mr. TAFT. I wish to suggest to the Senator that the title contains the words, "by curbing excessive pricing of new and existing housing and real estate." We struck out all curbing of prices of existing housing, and all curbing of prices of real estate. Therefore, the words "and

existing" and the words "and real estate" should be stricken out.

Mr. BARKLEY. The Senator is correct about the words "and existing" and the words "and real estate."

Mr. TAFT. I move that the words "and existing" and the words "and real estate" appearing in the last line of the title be stricken out.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio to the amendment to the title.

The amendment to the amendment was agreed to.

Mr. TAFT. I myself believe that the word "particularly" should be inserted in the second line of the title after the word "housing."

The PRESIDENT pro tempore. Without objection, the title will be amended so as to read: "An act to expedite the availability of housing for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new housing, and for other purposes."

Mr. BARKLEY. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

The PRESIDENT pro tempore. The conferees will be appointed later.

NATIONAL HOUSING POLICY

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1147, Senate bill 1592.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1592) to establish a national housing policy and provide for its execution.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to the consideration of Senate bill 1592 to establish a national housing policy and provide for its execution, which had been reported from the Committee on Banking and Currency with an amendment.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Maj. Gen. John H. Hilldring, United States Army, to be an Assistant Secretary of State;

George S. Messersmith, of Delaware, now Ambassador Extraordinary and Plenipotentiary to Mexico, to be Ambassador Extraordinary and Plenipotentiary to Argentina; and

Duane B. Lueders, of Minnesota, to be a foreign-service officer, unclassified, a vice

consul of career, and a secretary in the diplomatic service.

By Mr. OVERTON, from the Committee on Commerce:

Capt. Thomas A. Shanley, United States Coast Guard, to be appointed a rear admiral for temporary service in the United States Coast Guard to rank from the 25th day of February 1946 while serving as district Coast Guard officer, Fifth Naval District, or in any other assignment for which the rank of rear admiral is authorized;

Capt. Louis W. Perkins, United States Coast Guard, to be appointed a commodore for temporary service in the United States Coast Guard to rank from the 16th day of March 1946, while serving as commander, North Atlantic Ocean Patrol, or in any other assignment for which the rank of commodore is justified;

Admiral Russell R. Waesche to be an admiral (retired) on the retired list of the United States Coast Guard;

Leo Otis Colbert, of the United States Coast and Geodetic Survey, to be Director of the Coast and Geodetic Survey for a term of 4 years, effective April 8, 1946;

Col. Edwin H. Marks, Corps of Engineers, for appointment as president, California Debris Commission, vice Brig. Gen. Philip G. Bruton, Corps of Engineers, to be relieved;

Rear Adm. Merlin O'Neill, United States Coast Guard, to be appointed a rear admiral for temporary service in the United States Coast Guard with date of rank as such from the 15th day of February 1946; and

Sundry employees of the Coast and Geodetic Survey to the position of aide with rank of ensign in the Coast and Geodetic Survey.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

TREASURY DEPARTMENT

The Chief Clerk read the nomination of Edward H. Foley, Jr., to be Assistant Secretary of the Treasury.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The Chief Clerk read the nomination of Robert E. Noonan to be collector of customs, collection district No. 25.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harry T. Foley to be surveyor of customs in customs collection district No. 10.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

SELECTIVE SERVICE SYSTEM

The Chief Clerk read the nomination of Milton E. Ballangee to be director of selective service for the Territory of Hawaii.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc, and, without objection, the President will be notified at once of all confirmations of today.

INTER-AMERICAN COFFEE AGREEMENT

Mr. CONNALLY. Mr. President, I move that the Senate ratify the extension of the Inter-American coffee agreement on November 28, 1940, Executive A, which is now on the calendar. This is merely an extension of the coffee agreement we have had for a number of years, and it is very desirable that there be prompt action.

Mr. TAFT. Mr. President, I do not object to this treaty being set down for consideration, but I should like to make some remarks on it, and I am not ready at the moment. This is in direct violation of all the reciprocal trade proposals. It is in direct violation of the State Department's policy in the British loan regarding multilateral trade without quotas. It continues the quota arrangement as to coffee, and is completely inconsistent with everything else the department is urging us to do. I should like to have an opportunity to make a few remarks on the treaty. I had no notice it would come up today.

Mr. CONNALLY. If the Senator will get his remarks ready, I shall not push the matter now.

INTERNATIONAL SUGAR AGREEMENT

Mr. CONNALLY. Mr. President, I ask that the Senate consider Executive B, a protocol dated in London, August 31, 1945, relating to the regulation, production, and marketing of sugar.

Mr. TAFT. Mr. President, I suggest that if the two treaties are coming up, we be given notice. One day is enough.

Mr. CONNALLY. They have been on the calendar for more than a month.

Mr. TAFT. I understand that, and for that reason they have slept on their rights, so to speak.

Mr. CONNALLY. If the Senator insists, I do not object.

Mr. TAFT. I have prepared some material, but I do not have it here with me.

Mr. CONNALLY. I serve notice that at the next executive session I shall move that these agreements be considered and ratified.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 52 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 11, 1946, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 10 (legislative day of March 5), 1946:

TREASURY DEPARTMENT

Edward H. Foley, Jr., to be Assistant Secretary of the Treasury.

CUSTOMS SERVICE

Robert E. Noonan to be collector of customs for customs collection district No. 25, with headquarters at San Diego, Calif.

Harry T. Foley to be surveyor of customs in customs collections district No. 10, with headquarters at New York, N. Y.

SELECTIVE SERVICE SYSTEM

Milton E. Ballangee to be director of selective service for the Territory of Hawaii, with compensation at the rate of \$6,650 per annum.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

Generals of the Army in the Regular Army of the United States

George Catlett Marshall to be General of the Army in the Regular Army of the United States, with rank from December 16, 1944.

Douglas MacArthur to be General of the Army in the Regular Army of the United States, with rank from December 18, 1944.

Dwight David Eisenhower to be General of the Army in the Regular Army of the United States, with rank from December 20, 1944.

Henry Harley Arnold to be General of the Army in the Regular Army of the United States, with rank from December 21, 1944:

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Martin Conrad Shallenberger to be a brigadier general.

79TH CONGRESS
2D SESSION

H. R. 4761

79TH CONGRESS
2D SESSION

H. R. 4761

IN THE SENATE OF THE UNITED STATES

APRIL 11 (legislative day, MARCH 5), 1946

Ordered to be printed with the amendments of the Senate

AN ACT

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the National Housing Act, as amended, is amended
4 by inserting after title VI thereof a new title, as follows:

5 ~~“TITLE VII—STABILIZATION OF HOUSING~~
6 ~~PRICES~~

7 “~~SEC. 701. (a)~~ The Congress declares that an emergency
8 exists wherein there are insufficient facilities for housing large

1 segments of the population, that large numbers of veterans of
2 the armed forces are returning to civilian life in need of hous-
3 ing accommodations which are not available, and that it is
4 necessary for the health and safety of the people that all
5 facilities of the United States Government be made available
6 and coordinated to obtain a maximum amount of housing.
7 The purposes of this title are to stabilize the prices of real
8 estate to be used for housing purposes, and to prevent specu-
9 lative, unwarranted, and abnormal increases in the selling
10 prices of such real estate; to eliminate and prevent profiteer-
11 ing in the sale of real estate for housing purposes, the hoard-
12 ing of materials necessary for the construction of housing and
13 other buildings, and other disruptive practices; to encourage
14 the production of housing at a fair profit; to improve the
15 housing of the people of the Nation in order to foster their
16 health and general welfare; to encourage employment in the
17 housing construction industry, and to maintain such industry
18 at a high level of productivity; to prohibit an undue dissi-
19 pation of the savings of the people in the Nation in the pur-
20 chase of homes at speculative prices; to permit returning
21 veterans to acquire housing at fair prices; and to prevent a
22 post-emergency collapse of values in the housing field and
23 to promote a swift and orderly transition to a peacetime
24 economy.

25 “(b) The provisions of this title, and all regula-

1 tions and orders issued thereunder, shall terminate on
2 June 30, 1947, or upon the date specified in a con-
3 current resolution by the two Houses of the Congress, de-
4 claring that the provisions of the title are no longer
5 necessary to deal with the existing national emergency,
6 whichever date is the earlier.

7 “(c) The provisions of this title shall be applicable
8 to the United States, its Territories and possessions, and the
9 District of Columbia.

10 “SEC. 702. (a) There is hereby created an office to
11 be known as Housing Expediter; and the President is author-
12 ized to designate an existing official of the Government to
13 serve as Housing Expediter, or to appoint the Housing
14 Expediter either within any existing agency or as inde-
15 pendent officer of the Government. In the event of a
16 designation of an existing official, he is hereby authorized
17 and permitted to continue in his present post while serving
18 as Housing Expediter, except that he shall receive no addi-
19 tional compensation by reason of his designation hereunder.
20 If, however, such Housing Expediter is appointed, his ap-
21 pointment shall, if within an existing agency of the Gov-
22 ernment, be subject to the laws and regulations governing
23 the appointment of officers within such agency and he shall
24 receive compensation in compliance with such laws and
25 regulations; if the Housing Expediter is appointed as an

1 independent officer of the Government, then such appoint-
2 ment shall be made by and with the advice and consent of
3 the Senate of the United States and he shall receive compen-
4 sation at the rate of \$12,000 per annum.

5 “(b) The Housing Expediter, in addition to such other
6 functions and powers as may be delegated to him by the
7 President, is authorized to—

8 “(1) formulate such plans and programs as are
9 necessary to provide for an increased supply of housing
10 accommodations of all kinds and, in particular, of homes
11 available for sale or rental at moderate prices to veterans
12 of World War II and their immediate families;

13 “(2) issue such orders, regulations, or directives
14 to other executive agencies as may be necessary to
15 provide for the exercise of their powers in a manner
16 required by or consistent with the execution of the
17 aforesaid plans and programs, and to coordinate the
18 activities of such agencies directed to the execution
19 of such plans and programs. Each executive agency
20 shall carry out without delay the orders, regulations,
21 or directives of the Housing Expediter, and shall, to
22 the extent necessary, modify its operations and pro-
23 ceedures from time to time to conform to the directions
24 of the Housing Expediter;

25 “(3) recommend to the President the enactment

1 of such legislation as may be necessary to provide the
2 authority to carry out such plans and programs as are
3 not authorized under existing law;

4 “(4) consult and cooperate with other agencies
5 of the Federal Government, State and local govern-
6 ments, industries, labor, and other groups, both national
7 and local, with respect to the problems created by
8 the housing emergency and the steps which can be
9 taken to remedy it.

10 “(e) The executive agencies of the Government shall
11 exercise their emergency powers and other powers for the
12 purpose of aiding in the solution of the problems created
13 by the existing housing emergency, the alleviation of which
14 is vital to an orderly transition from war to peace.

15 “(d) (1) All functions, powers, authority, or duties
16 vested in the Office of War Mobilization and Reconversion
17 or the Director thereof by the War Mobilization and Recon-
18 version Act of 1944 which are or may be necessary or
19 suitable to enable the Housing Expediter to carry out the
20 provisions of this title and such plans and programs as such
21 Housing Expediter may develop for the alleviation of the
22 housing emergency, are hereby transferred to the Housing
23 Expediter. The powers so transferred shall include the
24 power to issue orders, regulations, or directives to other

1 executive agencies with respect to the exercise by such
2 agencies of their respective powers and authority.

3 “(2) The powers so transferred shall continue during
4 the period in which this Act is in effect, notwithstanding
5 any other provision terminating such powers contained in
6 the said War Mobilization and Reconversion Act of 1944.

7 “SEC. 703. (a) Whenever in the judgment of the
8 Expediter the sales prices of housing accommodations the
9 construction of which is completed after the effective date of
10 this title have risen or threaten to rise to an extent or in a
11 manner inconsistent with the purposes of this Act, he may
12 by regulation or order establish maximum sales prices for
13 such housing accommodations in accordance with the pro-
14 visions of this title. Any such regulation or order may be
15 limited in its scope to such geographical area or areas and to
16 such types or classifications of such housing accommodations
17 as in the judgment of the Expediter may be necessary to
18 effectuate the purposes of this title. Before issuing any regu-
19 lation or order under this section, the Expediter shall, so far
20 as practicable, advise and consult with representative mem-
21 bers of industries affected by such regulation or order, and he
22 shall give consideration to their recommendations and to any
23 recommendations which may be made by State and local
24 officials concerned with housing conditions in any area
25 affected by such regulation or order.

1 “(b) Any regulation or order issued under the authority
2 of this section with respect to housing accommodations the
3 construction of which is completed after the effective date of
4 this title shall provide that no sale of any such housing accom-
5 modations shall take place until after the builder thereof has
6 filed with the appropriate agency designated by the Expediter
7 a description of such accommodations, including a statement
8 of the proposed maximum sales price, and has received from
9 such agency a certification that such price is reasonably re-
10 lated to the value of the accommodations to be sold, taking
11 into consideration (1) reasonable construction costs not in
12 excess of the legal maximum prices of the materials and
13 services required for the construction; (2) the fair market
14 value of the land (immediately prior to construction) and im-
15 provements sold with the housing accommodations; and (3)
16 a margin of profit reflecting the generally prevailing profit
17 margin upon comparable units during the calendar year 1941.
18 Any prospective seller of such housing accommodations may
19 apply for such certification at any time, including before the
20 commencement of construction, during its progress, or after
21 its completion. In any case where a certification of approval
22 of a proposed maximum sales price has been issued prior to
23 the completion of construction, the prospective seller may, at
24 any time before the first sale, apply for such revision of the
25 maximum sales price previously certified as may be justified

1 by a showing of special circumstances arising during the
2 course of construction and not reasonably to have been antici-
3 pated at the time of the issuance of the earlier certification.
4 The first sale of housing accommodations the construction
5 of which is completed after the effective date of this title shall
6 not be made at a price in excess of the maximum sales price
7 certified under this subsection. The actual price at which
8 any such housing accommodations is first sold, plus any
9 increases authorized pursuant to subsection (c), shall be the
10 maximum sales price for any subsequent sale of such housing
11 accommodations.

12 “(c) The Expediter shall by regulation or order provide
13 for appropriate price increases for major structural changes
14 or improvements, not including ordinary maintenance and
15 repair, effected subsequent to the first sale after the effective
16 date of this title.

17 “(d) The Expediter may promulgate such regulations
18 as he deems necessary and proper to carry out any of the
19 provisions of the title and may exercise any power or
20 authority conferred upon him by this title through such
21 department, agency, or officer as he shall direct. Any regu-
22 lation or order under this title may contain such classifica-
23 tions and differentiations and may provide for such adjust-
24 ments and reasonable exceptions as in the judgment of the
25 Expediter are necessary or proper in order to effectuate the

1 purposes of this title. The Expediter shall have power to
2 forbid the export of any lumber or other materials to any
3 foreign country which are needed for the housing program.

4 “(c) Whenever in the judgment of the Expediter such
5 action is necessary or proper in order to effectuate the
6 purposes of this title, he may by regulation or order make
7 such provisions as he deems necessary to prevent the circum-
8 vention or evasion thereof and he may regulate or prohibit
9 speculative or manipulative practices (including the requir-
10 ing of the purchase of land prior to or as a condition of
11 undertaking construction work or the requiring of the pur-
12 chaser of housing accommodations to buy additional land or
13 any commodity or service as a condition of securing such
14 housing accommodations) in connection with the sale of any
15 housing accommodations which in his judgment are equiva-
16 lent to or likely to result in price increases inconsistent with
17 the purposes of this title.

18 “SEC. 704. (a) Whenever in the judgment of the Ex-
19 pediter there is a shortage in the supply of any material or of
20 any facilities suitable for the construction and/or completion
21 of housing accommodations in rural and urban areas, and
22 for the construction and repair of essential farm buildings,
23 he may by regulation or order allocate, or establish priorities
24 for the delivery of, such material or facilities in such manner;

1 upon such conditions, and to such extent as he deems neces-
2 sary and appropriate in the public interest and to effectuate
3 the purposes of this title; and the Expediter is authorized
4 regardless of any other legislation to direct the Office of
5 Price Administration to make such price adjustments as are
6 necessary to stimulate the production of building materials.

7 “(b) In issuing any regulation or order allocating or
8 establishing priorities for the delivery of any material or
9 facilities under this section, the Expediter shall give special
10 consideration to ~~(1)~~ the general need for housing accom-
11 modations for sale or rent at moderate prices, ~~(2)~~ the need
12 for the construction and repair of essential farm buildings,
13 and ~~(3)~~ satisfying the housing requirements of veterans of
14 World War II and their immediate families.

15 “(c) The provisions of this section shall not be construed
16 as in any way affecting the power of the President to assign
17 priorities or to allocate any materials or facilities under the
18 provisions of subsection ~~(a)~~ of section 2 of the Act of June
19 28, 1940, entitled ‘An Act to expedite national defense, and
20 for other purposes’, as amended.

21 “SEC. 705. It shall be unlawful for any person to effect,
22 either as principal or broker, a sale of any housing accommo-
23 dations at a price in excess of the maximum sales price
24 applicable to such sale under the provisions of this title, or to
25 offer, solicit, attempt, or agree to making any such sale. It

1 shall be unlawful for any person to violate the terms of any
2 regulation or order issued under the provisions of this title.
3 Notwithstanding any termination of this title as contemplated in section 701 (b) hereinabove, the provisions of this
4 title, and of all regulations and orders issued thereunder,
5 shall be treated as remaining in force, as to rights or liabilities
6 incurred or offenses committed prior to such termination date,
7 for the purpose of sustaining any proper suit, action, or
8 prosecution with respect to any such right, liability, or
9 offense.
10

11 "SEC. 706. Any person who is aggrieved by any
12 action taken pursuant to any regulation or order issued under
13 the authority of this title may petition the district court
14 of the district in which he resides or has his place of business for a review of such action, and such district court
15 shall have jurisdiction to enjoin or set aside, in whole or in
16 part, such action or to dismiss the petition. No such action
17 shall be enjoined or set aside, in whole or in part, unless
18 the petitioner establishes to the satisfaction of the court that
19 such action is not in accordance with law is unsupported
20 by competent, material and substantial evidence or is arbitrary or capricious.
22

23 "SEC. 707. (a) Whenever in the judgment of the
24 Expediter any person has engaged or is about to engage in
25 any acts or practices which constitute or will constitute

1 a violation of any provision of section 705 of this title;
2 he may make application to the appropriate court for an
3 order enjoining such acts or practices, or for an order en-
4 forcing compliance with such provision, and upon a show-
5 ing by the Expediter that such person has engaged or is
6 about to engage in any such acts or practices a perma-
7 nent or temporary injunction, restraining order, or other
8 order may be granted and if granted shall be granted without
9 bond.

10 “(b) Any person who willfully violates any provision
11 of section 705 of this title, and any person who knowingly
12 makes any statement or entry false in any material respect in
13 any record or report required to be kept or filed under
14 section 703, shall, upon conviction thereof, be subject to a
15 fine of not more than \$5,000, or to imprisonment for not more
16 than one year or to both such fine and imprisonment. When-
17 ever the Expediter has reason to believe that any person is
18 liable to punishment under this subsection, he may certify the
19 facts to the Attorney General, who may, in his discretion,
20 cause appropriate proceedings to be brought.

21 “(c) The district courts shall have jurisdiction of crimi-
22 nal proceedings for violations of section 705 of this title,
23 and, concurrently with State and Territorial courts, of all other
24 proceedings under this section. Such criminal proceed-
25 ings may be brought in any district in which any part of any

1 act or transaction constituting the violation occurred. Such
2 other proceedings may be brought in any district in which
3 any part of any act or transaction constituting the violation
4 occurred, and may also be brought in the district in which
5 the defendant resides or transacts business, and process in
6 such cases may be served in any district wherein the defend-
7 ant resides or transacts business or wherever the defendant
8 may be found. Any such court shall advance on the docket
9 and expedite the disposition of any criminal or other pro-
10 ceedings brought before it under this section. No costs shall
11 be assessed against the Expediter or the United States Gov-
12 ernment in any proceeding under this title.

13 “(d) If any person selling housing accommodations
14 violates a regulation or order prescribing a maximum selling
15 price, the person who buys such housing accommodations
16 may, within one year from the date of the occurrence of the
17 violation, bring an action for treble the amount by which
18 the consideration exceeded the maximum selling price, plus
19 reasonable attorney’s fees and costs as determined by the
20 court. If the buyer fails to bring an action under this sub-
21 section within sixty days from the date of the violation, the
22 Expediter may bring such action on behalf of the United
23 States within one year from the date of the violation. If
24 such action is brought by the Expediter, the buyer shall there-

1 after be barred from bringing an action for the same violation.

2 “SEC. 708. As used in this title—

3 “(a) The term ‘maximum sales price’ means the maxi-
4 mum price for which any housing accommodations the con-
5 struction of which is completed after the effective date of
6 this title may be sold and includes the total consideration
7 which may be paid by the buyer for such housing accom-
8 modations with accompanying land and improvements, ex-
9 cluding only those incidental charges, such as brokerage fees
10 or commissions or charges, which buyers or sellers of such
11 housing accommodations customarily assume in the com-
12 munity where such accommodations are located and which
13 actually have been incurred for services rendered at the
14 buyer’s or seller’s request.

15 “(b) The term ‘person’ includes an individual, corpora-
16 tion, partnership, association, or any other organized group
17 of any of the foregoing, or legal successor or representative
18 of any of the foregoing.

19 “(c) The term ‘district court’ means any district court
20 of the United States, and the United States court for any
21 Territory or other place subject to the jurisdiction of the
22 United States.

23 “SEC. 709. There are authorized to be appropriated such
24 sums as may be necessary or proper to carry out the provisions
25 and purposes of this title: *Provided, however,* That so much of

1 the First Deficiency Appropriation Act, 1946 (Public Law
2 Numbered 269, Seventy-ninth Congress, approved December
3 28, 1945), as reads *Provided*, That none of the funds avail-
4 able under this head for administrative expenses shall be used
5 in paying the salary of any person engaged in making or
6 processing loans in excess of \$500,000 to any State, any
7 subdivision thereof, any municipality therein, or any public
8 authority, for construction purposes, unless in pursuance of a
9 specific authorization, except, however, that this provision
10 shall not apply to any application or loan approved or made
11 prior to December 15, 1945, shall not apply to loans made
12 for construction, removal, or remodeling of housing by pub-
13 licly supported educational institutions where made for the
14 purposes of housing veterans enrolled and attending such
15 institution.

16 "SEC. 710. If any provision of this title or the applica-
17 tion of such provision to any person or circumstances shall
18 be held invalid, the validity of the remainder of the title
19 and the applicability of such provision to other persons or
20 circumstances shall not be affected thereby.

21 "SEC. 711. (a) Section 603 (a) of the National Hous-
22 ing Act, as amended, is hereby amended to read as follows:

23 "“(1) In order to assist in relieving the acute short-
24 age of housing which now exists and to increase the supply
25 of housing accommodations available to veterans of World

1 War II at prices within their reasonable ability to pay,
2 the Administrator is authorized, upon application by the
3 mortgagee, to insure as hereinafter provided any mortgage
4 which is eligible for insurance as hereinafter provided, and,
5 upon such terms as the Administrator may prescribe, to
6 make commitments for the insuring of such mortgages prior
7 to the date of their execution or disbursement thereon: *Pro-*
8 *vided*, That the aggregate amount of principal obligations
9 of all mortgages insured under this title shall not exceed
10 \$2,800,000,000 except that with the approval of the Presi-
11 dent such aggregate amount may be increased to not to
12 exceed \$3,800,000,000: *Provided further*, That no mort-
13 gage shall be insured under this title after June 30, 1947,
14 except (A) pursuant to a commitment to insure issued on
15 or before June 30, 1947, or (B) a mortgage given to re-
16 finance an existing mortgage insured under this title and
17 which does not exceed the original principal amount and
18 unexpired term of such existing mortgage: *And provided*
19 *further*, That the Administrator shall, in his discretion, have
20 power to require the availability for rental purposes of
21 properties covered by mortgages insured under this title, in
22 such instances and for such periods of time as he may pre-
23 scribe.

24 “(b) Section 603 (b) (2) of the National Housing
25 Act, as amended, is hereby amended to read as follows:

1 ““(2) involve a principal obligation (including
 2 such initial service charges, appraisal, inspection, and
 3 other fees as the Administrator shall approve) in an
 4 amount not to exceed 90 per centum of the appraised
 5 value (as of the date the mortgage is accepted for
 6 insurance) of a property, urban, suburban, or rural,
 7 upon which there is located a dwelling designed prin-
 8 cipally for residential use for not more than four
 9 families in the aggregate, which is approved for
 10 mortgage insurance prior to the beginning of construc-
 11 tion. The principal obligation of such mortgage shall in
 12 no event, however, exceed—

13 ““(A) \$5,400 if such dwelling is designed for
 14 a single-family residence, or

15 ““(B) \$7,500 if such dwelling is designed for
 16 a two-family residence, or

17 ““(C) \$9,500 if such dwelling is designed for
 18 a three-family residence, or

19 ““(D) \$12,000 if such dwelling is designed
 20 for a four-family residence:

21 *Provided,* That the Administrator may, if he finds that
 22 at any time or in any particular geographical area it
 23 is not feasible, within such limitations of maximum
 24 mortgage amounts, to construct dwellings without sacri-

1 free of sound standards of construction, design, or
 2 liability, prescribe by regulation or otherwise higher
 3 maximum mortgage amounts not to exceed—

4 “~~‘(A)~~ \$8,100 if such dwelling is designed for
 5 a single-family residence, or

6 “~~‘(B)~~ \$10,800 if such dwelling is designed for
 7 a two-family residence, or

8 “~~‘(C)~~ \$13,500 if such dwelling is designed for
 9 a three-family residence, or

10 “~~‘(D)~~ \$16,200 if such dwelling is designed for
 11 a four-family residence.’

12 “~~(c)~~ Section 603 ~~(b)~~ ~~(5)~~ of the National Housing
 13 Act, as amended, is hereby amended to read as follows:

14 “~~‘(5)~~ bear interest ~~(exclusive of premium charges~~
 15 ~~for insurance)~~ at not to exceed 4 per centum per annum
 16 on the amount of the principal obligation outstanding at
 17 any time.’

18 “~~(d)~~ Section 603 ~~(c)~~ of the National Housing Act, as
 19 amended, is hereby amended ~~(1)~~ by striking out of the third
 20 sentence the word ‘emergency’ and inserting in lieu thereof
 21 the words ‘shortage of housing’, and ~~(2)~~ by striking out the
 22 last sentence thereof and inserting in lieu thereof the follow-
 23 ing sentence: ‘The Administrator shall prescribe such pro-
 24 cedures as in his judgment are necessary to secure to veterans
 25 of World War II, and their immediate families, and to hard-

1 ship cases as defined by the Administrator, preference or
 2 priority of opportunity to purchase or rent properties covered
 3 by mortgages insured under this title.’

4 “(e) Section 608 (b) of the National Housing Act, as
 5 amended, is hereby amended (1) by amending paragraph
 6 numbered (2) thereof to read as follows:

7 “ ‘(2) Preference or priority of opportunity in the
 8 occupancy of the mortgaged property for veterans of World
 9 War II and their immediate families, and for hardship cases
 10 as defined by the Administrator, shall be provided under
 11 such regulations and procedures as may be prescribed by the
 12 Administrator’; and (2) by striking out ‘\$1,350’ and in-
 13 serting in lieu thereof ‘\$1,500’.

14 “(f) Section 608 (e) of the National Housing Act,
 15 as amended, is hereby amended by inserting in the third
 16 sentence before the semicolon at the end of clause ‘(C)’;
 17 the following: ‘and any mortgage insurance premiums paid
 18 after default’.”

19 *That this Act may be cited as the “Veterans’ Emergency*
 20 *Housing Act of 1946”.*

21 *SEC. 1. (a) The long-term housing shortage and the*
 22 *war have combined to create an unprecedented emergency*
 23 *shortage of housing, particularly for veterans of World War*
 24 *II and their families. This requires during the next two*
 25 *years a house-construction program larger than ever before.*

1 *The first step toward such a program is to overcome the seri-*
2 *ous shortages and bottlenecks with respect to building mate-*
3 *rials, to expedite the production of such materials, to allocate*
4 *them for house construction and other essential purposes, and*
5 *to accelerate the production of houses with preferences for*
6 *veterans of World War II and at sales prices or rentals*
7 *within their means. To carry out this program, it is neces-*
8 *sary to invest a housing expediter with adequate powers, in-*
9 *cluding the power to issue policy directives. It is necessary*
10 *also to minimize the inflationary and speculative overpricing*
11 *of housing and related real estate which is resulting from the*
12 *current shortage. Accomplishment of these objectives will*
13 *assist returning veterans to acquire housing at fair prices,*
14 *stimulate industry and employment, prevent a post-emergency*
15 *collapse of values in the housing field, and promote a swift*
16 *and orderly transition to a peacetime economy.*

17 *(b) The provisions of this Act, and all regulations and*
18 *orders issued thereunder, shall terminate on December 31,*
19 *1947, or upon the date specified in a concurrent resolution*
20 *by the two Houses of the Congress, declaring that the pro-*
21 *visions of the Act are no longer necessary to deal with the*
22 *existing national emergency, whichever date is the earlier.*

23 *(c) The provisions of this Act shall be applicable to the*
24 *United States, its Territories and possessions, and the District*
25 *of Columbia.*

1 *SEC. 2. (a) There is hereby created an office to be*
2 *known as Housing Expediter; and the President is author-*
3 *ized, by and with the advice and consent of the Senate,*
4 *to appoint an existing official of the Government to serve*
5 *as Housing Expediter, or to appoint the Housing Expediter*
6 *either within any existing agency or as an independent*
7 *officer of the Government. In the event of an appointment*
8 *of an existing official, he is hereby authorized and permitted*
9 *to continue in his present post while serving as Housing*
10 *Expediter, except that he shall receive no additional com-*
11 *ensation by reason of his appointment hereunder. If, how-*
12 *ever, such Housing Expediter is appointed within an existing*
13 *agency of the Government, he shall receive compensation*
14 *in compliance with the laws and regulations applicable to*
15 *officers within such agency; if the Housing Expediter is*
16 *appointed as an independent officer of the Government, he*
17 *shall receive compensation at the rate of \$12,000 per annum.*

18 *(b) The Housing Expediter, in addition to such other*
19 *functions and powers as may be delegated to him by the*
20 *President, is authorized to—*

21 *(1) formulate such plans and programs as are nec-*
22 *essary to provide for an increased supply of housing*
23 *accommodations of all kinds and, in particular, of homes*
24 *available for sale or rental at moderate prices to veterans*
25 *of World War II and their immediate families;*

1 (2) issue such orders, regulations, or directives to
2 other executive agencies (including the Office of Economic
3 Stabilization and the Office of Price Administration) as
4 may be necessary to provide for the exercise of their
5 powers in a manner required by or consistent with the
6 execution of the aforesaid plans and programs, and to
7 coordinate the activities of such agencies directed to the
8 execution of such plans and programs. Each executive
9 agency shall carry out without delay the orders, regula-
10 tions, or directives of the Housing Expediter, and shall,
11 to the extent necessary, modify its operations and pro-
12 cedures from time to time to conform to the directions of
13 the Housing Expediter;

14 (3) recommend to the President the enactment of
15 such legislation as may be necessary to provide the author-
16 ity to carry out such plans and programs as are not
17 authorized under existing law;

18 (4) consult and cooperate with other agencies
19 of the Federal Government, State and local govern-
20 ments, industries, labor, and other groups, both national
21 and local, with respect to the problems created by
22 the housing emergency and the steps which can be
23 taken to remedy it.

24 (c) The executive agencies of the Government shall
25 exercise their emergency powers and other powers for the

1 purpose of aiding in the solution of the problems created
2 by the existing housing emergency, the alleviation of which
3 is vital to an orderly transition from war to peace.

4 (d) (1) All functions, powers, authority, or duties
5 vested in the Office of War Mobilization and Reconversion
6 or the Director thereof by the War Mobilization and Recon-
7 version Act of 1944 which are or may be necessary or
8 suitable to enable the Housing Expediter to carry out the
9 provisions of this Act and such plans and programs as
10 such Housing Expediter may develop for the alleviation of
11 the housing emergency, are hereby transferred to the Housing
12 Expediter. The powers so transferred shall include the
13 power to issue orders, regulations, or directives to other
14 executive agencies with respect to the exercise by such
15 agencies of their respective powers and authority.

16 (2) The powers so transferred shall continue during
17 the period in which this Act is in effect, notwithstanding
18 any other provision terminating such powers contained in
19 the said War Mobilization and Reconversion Act of 1944.

20 SEC. 3. (a) Whenever in the judgment of the Expediter
21 the sales prices of housing accommodations the construction
22 of which is completed after the effective date of this title
23 have risen or threaten to rise to an extent or in a manner
24 inconsistent with the purposes of this Act, he may by regu-
25 lation or order establish maximum sales prices for such

1 housing accommodations in accordance with the provisions
2 of this title. Any such regulation or order may be limited
3 in its scope to such geographical area or areas and to
4 such types or classifications of such housing accommodations
5 as in the judgment of the Expediter may be necessary to
6 effectuate the purposes of this title. Before issuing any regu-
7 lation or order under this section, the Expediter shall, so far
8 as practicable, advise and consult with representative mem-
9 bers of industries affected by such regulation or order, and he
10 shall give consideration to their recommendations and to any
11 recommendations which may be made by State and local
12 officials concerned with housing conditions in any area
13 affected by such regulation or order.

14 (b) Any regulation or order issued under the authority
15 of this section with respect to housing accommodations the
16 construction of which is completed after the effective date of
17 this title shall provide that no sale of any such housing accom-
18 modations shall take place until after the builder thereof has
19 filed with the appropriate agency designated by the Expediter
20 a description of such accommodations, including a statement
21 of the proposed maximum sales price, and has received from
22 such agency a certification that such price is reasonably re-
23 lated to the value of the accommodations to be sold, taking
24 into consideration (1) reasonable construction costs not in
25 excess of the legal maximum prices of the materials and

1 services required for the construction, (2) the fair market
2 value of the land (immediately prior to construction) and im-
3 provements sold with the housing accommodations, and (3).
4 a margin of profit reflecting the generally prevailing profit
5 margin upon comparable units during the calendar year 1941.
6 Any prospective seller of such housing accommodations may
7 apply for such certification at any time, including before the
8 commencement of construction, during its progress, or after
9 its completion. In any case where a certification of approval
10 of a proposed maximum sales price has been issued prior to
11 the completion of construction, the prospective seller may, at
12 any time before the first sale, apply for such revision of the
13 maximum sales price previously certified as may be justified
14 by a showing of special circumstances arising during the
15 course of construction and not reasonably to have been antici-
16 pated at the time of the issuance of the earlier certification.
17 The first sale of housing accommodations the construction
18 of which is completed after the effective date of this title shall
19 not be made at a price in excess of the maximum sales price
20 certified under this subsection. The actual price at which
21 any such housing accommodations is first sold, plus any
22 increases authorized pursuant to subsection (c), shall be the
23 maximum sales price for any subsequent sale of such housing
24 accommodations.

1 (c) *The Expediter shall by regulation or order provide*
2 *for appropriate price increases for major structural changes*
3 *or improvements, not including ordinary maintenance and*
4 *repair, effected subsequent to the first sale after the effective*
5 *date of this title.*

6 (d) *The Expediter may promulgate such regulations*
7 *as he deems necessary and proper to carry out any of the*
8 *provisions of the title and may exercise any power or*
9 *authority conferred upon him by this title through such*
10 *department, agency, or officer as he shall direct. Any regu-*
11 *lation or order under this title may contain such classifica-*
12 *tions and differentiations and may provide for such adjust-*
13 *ments and reasonable exceptions as in the judgment of the*
14 *Expediter are necessary or proper in order to effectuate the*
15 *purposes of this title. The Expediter shall have power to*
16 *forbid the export of any lumber or other materials to any*
17 *foreign country which are needed for the housing program.*

18 SEC. 4. (a) *Whenever in the judgment of the Ex-*
19 *pediter there is a shortage in the supply of any materials*
20 *or of any facilities suitable for the construction and/or*
21 *completion of housing accommodations in rural and urban*
22 *areas, and for the construction and repair of essential farm*
23 *buildings, he may by regulation or order allocate, or establish*
24 *priorities for the delivery of, materials or facilities in such*
25 *manner, upon such conditions, and to such extent as he deems*

1 necessary and appropriate in the public interest and to
2 effectuate the purposes of this Act.

3 (b) In issuing any regulation or order allocating or
4 establishing priorities for the delivery of any materials or
5 facilities under this section, the Expediter shall give special
6 consideration to (1) satisfying the housing requirements of
7 veterans of World War II and their immediate families,
8 (2) the need for the construction and repair of essential farm
9 buildings, and (3) the general need for housing accommo-
10 dations for sale or rent at moderate prices. In order to
11 assure preference or priority of opportunity to such veterans
12 or their families, the Expediter shall require that no housing
13 assisted by allocations or priorities under this section shall
14 be sold within 60 days after completion or rented within 30
15 days after completion for occupancy by persons other than
16 such veterans or their families: Provided, That the Expediter
17 by appropriate regulation may allow for hardship cases.
18 Section 215 of Public Law 49, Seventy-ninth Congress,
19 approved May 3, 1945, is hereby repealed.

20 (c) The provisions of this section shall not be construed
21 as in any way affecting the power of the President to assign
22 priorities or to allocate any materials or facilities under the
23 provisions of subsection (a) of section 2 of the Act of June
24 28, 1940, entitled "An Act to expedite national defense, and
25 for other purposes" (50 U. S. C. 633), as amended.

1 *SEC. 5. It shall be unlawful for any person to effect,*
2 *either as principal or broker, a sale of any housing accom-*
3 *modations or unimproved lands at a price in excess of the*
4 *maximum sales price applicable to such sale under the pro-*
5 *visions of this Act, or to offer, solicit, attempt, or agree to*
6 *making any such sale. It shall be unlawful for any person*
7 *to violate the terms of any regulation or order issued under*
8 *the provisions of this Act. Notwithstanding any termination*
9 *of this Act as contemplated in section 1 (b) hereinabove,*
10 *the provisions of this Act, and of all regulations and orders*
11 *issued thereunder, shall be treated as remaining in force, as*
12 *to rights or liabilities incurred or offenses committed prior to*
13 *such termination date, for the purpose of sustaining any*
14 *proper suit, action, or prosecution with respect to any such*
15 *right, liability, or offense.*

16 *SEC. 6. Any person who is aggrieved by any action*
17 *taken pursuant to any regulation or order issued under the*
18 *authority of this Act may petition the district court of the*
19 *district in which he resides or has his place of business for a*
20 *review of such action, and such district court shall have juris-*
21 *diction to enjoin or set aside, in whole or in part, such action*
22 *or to dismiss the petition. No such action shall be enjoined*
23 *or set aside, in whole or in part, unless the petitioner estab-*
24 *lishes to the satisfaction of the court that such action is not*

1 in accordance with law, is unsupported by competent, mate-
2 rial, and substantial evidence, or is arbitrary or capricious.

3 SEC. 7. (a) Whenever in the judgment of the Expediter
4 any person has engaged or is about to engage in any acts or
5 practices which constitute or will constitute a violation of any
6 provision of section 5 of this Act, he may make application
7 to the appropriate court for an order enjoining such acts or
8 practices, or for an order enforcing compliance with such
9 provision, and upon a showing by the Expediter that such
10 person has engaged or is about to engage in any such acts or
11 practices a permanent or temporary injunction, restraining
12 order, or other order may be granted and if granted shall be
13 granted without bond.

14 (b) Any person who willfully violates any provision
15 of section 5 of this Act, and any person who knowingly
16 makes any statement or entry false in any material respect
17 in any record or report required to be kept or filed under
18 section 3, shall, upon conviction thereof, be subject to a fine
19 of not more than \$5,000, or to imprisonment for not more
20 than one year, or to both such fine and imprisonment. When-
21 ever the Expediter has reason to believe that any person is
22 liable to punishment under this subsection, he may certify
23 the facts to the Attorney General, who may, in his discretion,
24 cause appropriate proceedings to be brought.

1 (c) *The district courts shall have jurisdiction of criminal*
2 *proceedings for violations of section 5 of this Act, and,*
3 *concurrently with State and Territorial courts, of all other*
4 *proceedings under this section. Such criminal proceedings*
5 *may be brought in any district in which any part of any*
6 *act or transaction constituting the violation occurred. Such*
7 *other proceedings may be brought in any district in which any*
8 *part of any act or transaction constituting the violation*
9 *occurred, and may also be brought in the district in which the*
10 *defendant resides or transacts business, and process in such*
11 *cases may be served in any district wherein the defendant*
12 *resides or transacts business or wherever the defendant may*
13 *be found. Any such court shall advance on the docket and*
14 *expedite the disposition of any criminal or other proceedings*
15 *brought before it under this section. No costs shall be*
16 *assessed against the Expediter or the United States Govern-*
17 *ment in any proceeding under this Act.*

18 (d) *If any person selling housing accommodations vio-*
19 *lates a regulation or order prescribing a maximum selling*
20 *price, the person who buys such housing accommodations*
21 *may, within one year from the date of the occurrence of the*
22 *violation, bring an action for the amount by which the*
23 *consideration exceeded the maximum selling price, plus rea-*
24 *sonable attorney's fees and costs as determined by the court.*

25 *SEC. 8. As used in this Act—*

1 (a) The term "maximum sales price" means the maxi-
2 mum price for which any housing accommodations or unim-
3 proved lands may be sold and includes the total consideration
4 which may be paid by the buyer for such housing accommo-
5 dations (with accompanying land and improvements) or
6 unimproved lands, excluding only those incidental charges
7 such as brokerage fees or commissions or charges, which
8 buyers or sellers of such housing accommodations or unim-
9 proved lands customarily assume in the community where
10 such accommodations or lands are located and which actually
11 have been incurred for services rendered at the buyer's or
12 seller's request.

13 (b) The term "person" includes an individual, cor-
14 poration, partnership, association, or any other organized
15 group of any of the foregoing, or legal successor or represent-
16 ative of any of the foregoing.

17 (c) The term "district court" means any district court
18 of the United States, and the United States court for any
19 Territory or other place subject to the jurisdiction of the
20 United States.

21 (d) The term "veterans of World War II" shall in-
22 clude persons who have served in the active military or
23 naval forces of the United States on or after September
24 16, 1940, and prior to the termination of hostilities in
25 World War II, and who have been discharged or released

1 *therefrom under conditions other than dishonorable, and per-*
2 *sons serving in the military or naval forces of the United*
3 *States requiring housing accommodations for their dependent*
4 *families.*

5 *(e) The term "unimproved lands" shall mean any real*
6 *property (to which there has not been affixed any building*
7 *or structures) located within the corporate limits of munici-*
8 *palities or suitable for subdivision for use for the veterans'*
9 *emergency housing program.*

10 *SEC. 9. There are authorized to be appropriated such*
11 *sums as may be necessary to carry out the provisions*
12 *and purposes of this Act: Provided, however, That so*
13 *much of the First Deficiency Appropriation Act, 1946*
14 *(Public Law Numbered 269, Seventy-ninth Congress, ap-*
15 *proved December 28, 1945), as reads "Provided, That none*
16 *of the funds available under this head for administrative*
17 *expenses shall be used in paying the salary of any person*
18 *engaged in making or processing loans in excess of \$500,000*
19 *to any State, any subdivision thereof, any municipality*
20 *therein, or any public authority, for construction purposes,*
21 *unless in pursuance of a specific authorization, except, how-*
22 *ever, that this provision shall not apply to any application*
23 *or loan approved or made prior to December 15, 1945",*
24 *shall not apply to loans made for construction, removal, or*
25 *remodeling of housing by publicly supported educational in-*

1 stitutions where made for the purposes of housing veterans
2 enrolled and attending such institution.

3 *SEC. 10. (a) Section 603 (a) of the National Housing*
4 *Act, as amended, is hereby amended to read as follows:*

5 “(a) In order to assist in relieving the acute shortage
6 of housing which now exists and to increase the supply of
7 housing accommodations available to veterans of World War
8 II at prices within their reasonable ability to pay, the
9 Administrator is authorized, upon application by the mort-
10 gagee, to insure as hereinafter provided any mortgage which
11 is eligible for insurance as hereinafter provided, and, upon
12 such terms as the Administrator may prescribe, to make
13 commitments for the insuring of such mortgages prior to
14 the date of their execution or disbursement thereon: Pro-
15 vided, That the aggregate amount of principal obligations
16 of all mortgages insured under this title shall not exceed
17 \$2,800,000,000 except that with the approval of the Presi-
18 dent such aggregate amount may be increased to not to
19 exceed \$3,800,000,000: Provided further, That no mort-
20 gage shall be insured under this title after June 30, 1947,
21 except (A) pursuant to a commitment to insure issued on
22 or before June 30, 1947, or (B) a mortgage given to re-
23 finance an existing mortgage insured under this title and
24 which does not exceed the original principal amount and
25 unexpired term of such existing mortgage: And provided

1 further, That the Administrator shall, in his discretion, have
2 power to require the availability for rental purposes of
3 properties covered by mortgages insured under this title, in
4 such instances and for such periods of time as he may
5 prescribe.”

6 (b) Section 603 (b) (2) of the National Housing
7 Act, as amended, is hereby amended to read as follows:

8 “(2) involve a principal obligation (including such
9 initial service charges, appraisal, inspection, and other
10 fees as the Administrator shall approve) in an amount
11 not to exceed 90 per centum of the Administrator’s esti-
12 mate of the necessary current replacement cost (including
13 the land, such initial service charges, appraisal, inspec-
14 tion, and other fees as the Administrator shall approve)
15 of a property, urban, suburban, or rural, upon which
16 there is located a dwelling designed principally for resi-
17 dential use for not more than four families in the
18 aggregate, which is approved for mortgage insurance
19 prior to the beginning of construction. The principal
20 obligation of such mortgage shall in no event, however,
21 exceed—

22 “(A) \$5,400 if such dwelling is designed for
23 a single-family residence, or

24 “(B) \$7,500 if such dwelling is designed for
25 a two-family residence, or

1 “(C) \$9,500 if such dwelling is designed for
2 a three-family residence, or

3 “(D) \$12,000 if such dwelling is designed for
4 a four-family residence:

5 *Provided, That the Administrator may, if he finds that*
6 *at any time or in any particular geographical area it*
7 *is not feasible, within such limitations of maximum*
8 *mortgage amounts, to construct dwellings without sacri-*
9 *fice of sound standards of construction, design, or*
10 *liability, prescribe by regulation or otherwise higher*
11 *maximum mortgage amounts not to exceed—*

12 “(A) \$8,100 if such dwelling is designed for
13 a single-family residence, or

14 “(B) \$12,500 if such dwelling is designed for
15 a two-family residence, or

16 “(C) \$15,750 if such dwelling is designed for
17 a three-family residence, or

18 “(D) \$18,000 if such dwelling is designed for
19 a four-family residence.”

20 (c) Section 603 (b) (5) of the National Housing Act,
21 as amended, is hereby amended to read as follows:

22 “(5) bear interest (exclusive of premium charges
23 for insurance) at not to exceed 4 per centum per annum
24 on the amount of the principal obligation outstanding at
25 any time.”

1 (d) Section 603 (c) of the National Housing Act, as
2 amended, is hereby amended (1) by striking out of the third
3 sentence the word "emergency" and inserting in lieu thereof
4 the words "shortage of housing", and (2) by striking out
5 the last sentence thereof and inserting in lieu thereof the
6 following sentence: "The Administrator shall prescribe such
7 procedures as in his judgment are necessary to secure to
8 veterans of World War II, and their immediate families,
9 and to hardship cases as defined by the Administrator, pref-
10 erence or priority of opportunity to purchase or rent prop-
11 erties covered by mortgages insured under this title."

12 (e) Section 604 (b) of the National Housing Act, as
13 amended, is hereby amended by striking out the words "ap-
14 praised value of such property as determined by the Ad-
15 ministrator" and inserting in lieu thereof the following:
16 "Administrator's estimate of the necessary current replace-
17 ment cost".

18 (f) Section 608 (b) of the National Housing Act, as
19 amended, is hereby amended:

20 (1) by amending paragraph numbered (2) thereof to
21 read as follows:

22 "(2) Preference or priority of opportunity in the occu-
23 pancy of the mortgaged property for veterans of World War
24 II and their immediate families, and for hardship cases as
25 defined by the Administrator, shall be provided under such

1 regulations and procedures as may be prescribed by the
2 Administrator.”;

3 (2) by striking out “\$1,350” and inserting in lieu
4 thereof “\$1,600”; and

5 (3) by striking out “reasonable replacement cost” and
6 inserting in lieu thereof “necessary current replacement cost”.

7 (g) Section 608 (c) of the National Housing Act, as
8 amended, is hereby amended by inserting in the third sentence
9 before the semicolon at the end of clause (C), the following:
10 “and any mortgage insurance premiums paid after default”.

11 SEC. 11. (a) The last paragraph of section 2 (e) of
12 the Emergency Price Control Act of 1942, as amended (50
13 U. S. C. 902 (e)), shall not apply to subsidies which the
14 Reconstruction Finance Corporation may make hereunder,
15 in the form of premium payments used only to the extent
16 that the Housing Expediter (after considering all available
17 means) finds them temporarily necessary to increase the
18 supply of materials for the veterans’ emergency housing pro-
19 gram and for other construction, maintenance, and repair
20 essential to the national well-being: Provided, That not more
21 than \$600,000,000 shall be used for such premium pay-
22 ments.

23 (b) The following standards shall be applied by the
24 Housing Expediter to premium payments:

25 (1) Premium payments shall be used only temporarily

1 *and only with relation to additional units of production be-*
2 *yond that otherwise attainable (as determined by the Housing*
3 *Expediter by general regulation for the industry involved),*
4 *where such premium payments are necessary to stimulate*
5 *such additional production with greater rapidity, economy,*
6 *or certainty than other available methods.*

7 (2) *The value of the units of production to which*
8 *premium payments are applied (A) in the case of any*
9 *new producer (except of new type materials) shall not ex-*
10 *ceed 50 per centum of the value at the producers' level of*
11 *the output of such producer, and (B) in the aggregate shall*
12 *not exceed 30 per centum of the value at the producers' level*
13 *of all materials needed for the veterans' emergency housing*
14 *program and for other construction, maintenance, and repair*
15 *essential to the national well-being. The average rate of*
16 *premium payments shall not exceed 25 per centum of the*
17 *value of the units of production to which they are applied.*

18 (3) *Premium payments shall wherever feasible be ap-*
19 *plied at a uniform rate within any industry requiring them,*
20 *rather than at varying rates for each producer.*

21 (4) *The stimulation of necessary additional production*
22 *by premium payments shall place emphasis upon avoiding*
23 *either economic dislocations or adverse effects upon established*
24 *business.*

1 (5) *New type materials to which premium payments are*
2 *applied shall be tested for sound quality.*

3 (c) *Not more than \$25,000,000 of the funds made*
4 *available under this section may be used to the extent that*
5 *other funds are unavailable for the construction of access*
6 *roads to standing timber on lands owned by or under the*
7 *jurisdiction of an agency of Government.*

8 SEC. 12. (a) *The powers vested in the Reconstruction*
9 *Finance Corporation pursuant to clause (a) of section*
10 *5d (3) of the Reconstruction Finance Corporation Act, as*
11 *amended (15 U. S. C. 606b (3)), may be used to under-*
12 *write or guarantee markets for new type building materials*
13 *and prefabricated houses, but only to the extent that the*
14 *Housing Expediter finds this necessary to assure a sufficient*
15 *supply for the veterans' emergency housing program: Pro-*
16 *vided, That the number of prefabricated houses covered by*
17 *outstanding underwriting or guaranty (including such houses*
18 *as may be held by the Housing Expediter) shall at no time*
19 *during the program exceed two hundred thousand.*

20 (b) *The following standards shall be applied by the*
21 *Housing Expediter to such underwriting or guaranty:*

22 (1) *To avoid impairment of established enterprises, new*
23 *type materials and prefabricated houses shall be encouraged*
24 *only to supplement such expanded production of conventional*

1 *type materials and houses (with access to available materials)*
2 *as can be achieved with sufficient rapidity and economy.*

3 (2) *There shall be reasonable prospect of either (A) full*
4 *return to the Government of any funds involved in such*
5 *underwriting or guaranty, or (B) net cost to the Government*
6 *substantially lower than under any other available method of*
7 *achieving the necessary expansion of production. Toward*
8 *this end, the underwriting or guaranty of such materials or*
9 *houses shall not be for the full amount of the producers' stand-*
10 *ard delivery price. The Housing Expediter shall maintain*
11 *constant review of experience toward the objective that the*
12 *total net costs to the Government shall in no event exceed 5*
13 *per centum of the total amount of underwriting or guaranty*
14 *undertaken.*

15 (3) *There shall be clear evidence that the new type*
16 *materials or prefabricated houses require underwriting or*
17 *guaranty only temporarily until they attain general market*
18 *acceptability.*

19 (4) *Emphasis shall be placed upon avoiding either*
20 *economic dislocations or adverse effects upon established*
21 *business.*

22 (5) *New type materials and prefabricated houses shall*
23 *be tested for sound quality and (in the case of such houses)*
24 *for durability, livability, and safety.*

25 (6) *Any underwriting or guaranty shall require ade-*

1 quate showing by the producer that he has sufficient working
 2 capital and experience, and that he can achieve the desired
 3 production on time under conditions satisfactory to the Hous-
 4 ing Expediter.

5 SEC. 13. If any provision of this Act or the application
 6 of such provision to any person or circumstances shall be
 7 held invalid, the validity of the remainder of the Act and
 8 the applicability of such provision to other persons or cir-
 9 cumstances shall not be affected thereby.

Amend the title so as to read: "An Act to expedite the availability of housing particularly for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new housing, and for other purposes."

Passed the House of Representatives March 7, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

Passed the Senate with amendments April 10 (legislative day, March 5), 1946.

Attest:

LESLIE L. BIFFLE,

Secretary.

AN ACT

To amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 11 (legislative day, MARCH 5), 1946

Ordered to be printed with the amendments of the
Senate

DIGEST OF

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued April 16, 1946
For actions of April 15, 1946
79th-2nd, No.69

CONTENTS

Adjournment.....	20	Latin America.....	12	Research.....	7
Appropriations.....	4	Loans.....	25	Selective service.....	1
Civil service.....	29	Loans, farm.....	30,31	Soil conservation.....	3
Cotton.....	8,14,35	Loans, foreign.....	18	Subsidies.....	6
Electrification.....	17	Personnel.....	30	Taxation.....	21
Farm production.....	35	Philippine rehabilitation.....	15	Textiles.....	23
Forestry.....	2,3,35	Price control.....	6,26,28	Trade, foreign.....	11,23
Housing.....	5,13,26,36	Property, surplus.....	3,19,33	Transportation.....	32
Health.....	10,22	Rationing.....	27	Veterans.....	21,29,31,33,36
Inflation.....	28	Relief, foreign.....	27	Wages.....	34
Labor.....	16	Reorganization.....	24	Wildlife.....	9

HIGHLIGHTS: House passed selective-service extension bill. House rejected, 53-171, motion to suspend rules and pass Poage bill to permit requisitioning of surplus equipment for soil conservation and forestry. Senate passed Wagner-Ellender-Taft housing bill, which contains provisions for rural housing loans by this Department. Sens. Eastland, Maybank, and Bankhead criticized OPA and Bowles on cotton-margins regulations. House agreed to Senate amendment to bill transferring fur-animal research from Interior to Agriculture. House passed bill prohibiting 1947 cotton-marketing quotas and acreage allotments. Philippine trade bill and Patman housing bill were sent to conference. House debated price-control extension.

HOUSE

1. **SELECTIVE SERVICE.** Passed, 290-108, H. R. 6064, to extend the Selective Training and Service Act (pp. 3786-7). The bill extends this Act from May 15, 1946, to Feb. 15, 1947; prohibits inductions between May 15 and Oct. 15 but permits the President to resume drafting then if volunteer enlistments are inadequate; prohibits further inductions of 18 and 19-year-olds after May 15; provides an 18-month limit on service of inductees, including those now in service; prohibits induction of fathers or essential farm workers.
2. **FORESTRY.** Passed without amendment H. R. 2854, to add certain public and other lands to the Shasta National Forest (p. 3792).
3. **SURPLUS PROPERTY.** Rejected, 53-171, a motion by Rep. Poage, Tex., to suspend the rules and pass S. 1414, to permit the Agriculture Department to requisition surplus equipment for soil- and water-conservation work, forest-fire prevention and suppression, and forest improvement (pp. 3795-803).
4. **WAR DEPARTMENT CIVIL APPROPRIATION BILL.** Received the conference report on this bill, H. R. 5400, which includes appropriations for War Department flood-control projects (pp. 3813-14).
5. **PATMAN HOUSING BILL.** Reps. Spence, Brown of Ga., Patman, Barry, Wolcott, Crawford, and Gamble, and Sens. Barkley, Mardock, Taylor, Mitchell, Taft, Buck, and Caphart were appointed conferees on this bill, H. R. 4761, which provides for price control and subsidies on housing (pp. 3766, 3814-15).
6. **PRICE CONTROL; SUBSIDIES.** Began debate on H. R. 6042, to continue the Price Control and Stabilization Acts and limit subsidies on farm products (pp. 3815-30). For summary of bill see Digest 66.

7. FUR-ANIMAL RESEARCH. Agreed to the Senate amendment to H.R. 2115, to transfer to this Department the functions of the Interior Department regarding fur-bearing animals (p. 3830). This bill will now be sent to the President.
8. COTTON. Passed without amendment H.J. Res. 336, to prohibit 1947 cotton marketing quotas and acreage allotments (pp. 3830-1).
9. WILDLIFE CONSERVATION. Received the Migratory Bird Conservation Commission report for 1945 (p. 3833).
10. HEALTH. Received various petitions opposing the Wagner-Murray-Dingell bill, H.R. 4730 and S. 1606 (p. 3833).
11. PHILIPPINE TRADE. Rcps. Doughton, Cooper, Dingell, Robertson of Va., Knutson, Reed of N.Y., and Woodruff, and Sens. Walsh, Barkley, Connally, Byrd, La Follette, Vandenberg, and Taft were appointed conferees on H.R. 5856 (pp. 3766, 3777).
12. PAN-AMERICAN DAY. Agreed without amendment to H. Res. 599, greeting Latin American nations on Pan-American Day (pp. 3778-86).

SENATE

13. WAGNER-ELLENDER-TAFT HOUSING BILL. Passed with amendments this bill, S. 1592 (pp. 3758-74). Title VIII of the bill authorizes the Secretary of Agriculture to make 33-year loans at interest not over 4%, with limited subsidies where needed, for a period not over 10 years in the form of partial credit against interest and principal, on farms potentially capable of providing adequate income, and to enable the owners to construct, improve, etc., dwellings and facilities incident to family living to provide them, their tenants, sharecroppers, and laborers with decent, safe, and sanitary living conditions; and special loans or grants for minor improvements to meet minimum health standards on farms not potentially capable of providing adequate income; authorizes the Secretary to make loans totaling \$250,000,000 for a 4-year period, and contributions or grants reaching a maximum rate at the end of 4 years of \$10,000,000 a year; provides for FPHA assistance under a variant of the established public-housing program adapting it to special rural needs, and authorizes its contributions at the rate of \$5,000,000 a year for 5 years following enactment of the bill, with a maximum of \$25,000,000 a year at the end of the 5-year period. Other provisions of the bill make FHA permanent, broaden the scope of Federal assistance to private enterprise in constructing and financing housing, provide for the disposition of permanent war housing and other federally-owned housing with preference to servicemen and veterans, and provide for a periodic inventory of housing needs and programs.
During the debate Sens. Taft, Ohio, and Wherry, Nebr., discussed the provisions for rural-housing loans (pp. 3767-8).
14. COTTON. Sens. Eastland, Miss., Maybank, S.C., and Bankhead, Ala., criticized the OPA and Stabilization Director Bowles for the order fixing cotton margins requirements (pp. 3751-7). Sen. Bankhead claimed that the action taken by the Stabilization Director was "a direct overruling of the statutes, and directly in conflict with it" and that evidently the Secretary did not want to approve the order (p. 3756).
15. PHILIPPINE REHABILITATION BILL. Sens. Tydings, Hayden, Wheeler, Vandenberg, and Austin were appointed conferees on this bill, S. 1610 (p. 3749). House conferees have not yet been appointed.

16. LABOR. The Education and Labor Committee reported with amendment H.R. 4908, to provide additional facilities for the mediation of labor disputes (S. Rept. 1177; minority views S. Rept. 1177, Pt. 2) (p. 3749).
17. ELECTRIFICATION. Sen. Mitchell, Wash., inserted a League for Columbia Valley Authority resolution recommending an investigation of private-power-company lobbies (p. 3748).
18. BRITISH LOAN. S. J. Res. 138, to authorize a loan agreement with Great Britain, was made the unfinished business (p. 3774).
19. SURPLUS PROPERTY. Sen. Morse, Oreg., criticized the administration of the Surplus Property Act and OPA activities (pp. 3774-6).
20. RECESSED until Wed., April 17 (p. 3776).

BILLS INTRODUCED

21. VETERANS; TAXATION. S. 2063, by Sen. Murray, Mont., and H.R. 6139, by Rep. Mansfield, Mont., to amend the Internal Revenue Code so as to provide for the exclusion from gross income for income-tax purposes amounts paid by a veteran in the purchase of a home. To Senate Finance and House Ways and Means Committees. (pp. 3749, 3833.)
22. RECREATION PROGRAMS. S. 2070, by Sen. Thomas, Utah (for himself and others), to authorize the Federal Security Administrator to assist the States in the development of community recreation programs for the people of the U.S. To Education and Labor Committee. (p. 3749.)
23. TEXTILES; EXPORTS. S. Res. 259, by Sen. Langer, N. Dak., to investigate exports of nylon and rayon. To Banking and Currency Committee. (p. 3749.)
24. CONGRESSIONAL REORGANIZATION. S. Res. 260, by Sen. LaFollette, Wis. (for himself and others) to establish a committee to consider bills, resolutions, and amendments relating to the reorganization of the legislative branch of the Government. To Rules Committee. (p. 3749.)
25. R.F.C. LOANS. H. J. Res. 341, by Rep. Spence, Ky., to extend the succession, lending powers, and functions of RFC. To Banking and Currency Committee. (p. 3833.)

ITEMS IN APPENDIX

26. PRICE CONTROL. Extension of remarks of Rep. Miller, Nebr., including a stock journal editorial, criticizing OPA policies and opposing its continuation (p. A2285).
Extension of remarks of Rep. Miller, Nebr., including a Nebr. businessmen's letter, criticizing OPA's "gestapo methods of enforcement" of price controls (p. A2293).
Rep. Gore, Tenn., inserted A.L.M. Wiggins' (former American Banking Assn. pres.) statement commending the price-control program (p. A2302).
Rep. Durham, N.C., inserted a constituent's letter criticizing OPA policies on building materials (pp. A2306-7).
27. RATIONING; FOREIGN RELIEF. Extension of remarks of Rep. Voorhis, Calif., commending a Yale students' resolution urging reinstitution of rationing to support the foreign-relief program (pp. A2282-3).

28. INFLATION. Rep. Wagner, N.Y., inserted Sen. Kilgore's (W. Va.) radio address favoring price-control continuation to avoid inflation (p. A2287).
29. CIVIL SERVICE; VETERANS. Rep. Judd, Minn., inserted his correspondence with CSC on the percentage of veterans being placed in civil-service positions (pp. A2301-2).
30. RETIREMENT; FARM LOANS. Rep. Robertson, W.Dak., inserted a Cavalier County National Farm Loan Assn. resolution favoring civil-service retirement benefits for farm loan association employees (p. A2305).
31. FARM LOANS; VETERANS. Rep. Hays, Ark., inserted an Ark. Legionnaire editorial on the American Legion's plan for a study of farm-credit need of veterans (p. A2307).
32. ST. LAWRENCE WATERWAY. Extension of remarks of Rep. Lane, Mass., discussing the reasons for New England's opposition to this project (p. A2314).
33. SURPLUS PROPERTY; VETERANS. Rep. Hedrick, W.Va., inserted a Beckley (W.Va.) Post-Herald editorial criticizing the "run-around" given veterans in the purchase of surplus materials (p. A2306).
34. MINIMUM WAGES. Extension of remarks of Rep. Buck, N.Y. opposing H.R. 3914, the minimum-wage bill, and objecting to being listed as a cosponsor (p. A2303).
35. FARM PRODUCTION. Rep. Peterson, Ga., inserted Dr. Van Lear's (pres., Ga. School of Technology) address on the industrial advance in Ga., which included tabulations showing increases in cotton production, lumber output, and farm crops, grain, tobacco, and livestock production (pp. A2296-8).

BILL APPROVED BY THE PRESENT

36. VETERANS' HOUSING. H. J. Res. 328, making an additional appropriation for veterans' housing. Approved Apr. 12 (Public Law 341, 79th Cong.).

- o -

COMMITTEE-HEARINGS ANNOUNCEMENTS for Apr. 16: S. Banking and Currency, OPA extension; S. Agriculture, meat situation; S. Interstate Commerce, Bulwinkle transportation bill; S. Education and Labor, National Health bill; S. Public Buildings and Grounds, building construction (ex.); Conference on Federal pay bill; H. Agriculture, marketing agreements and orders; H. Expenditures in the Executive Departments, veterans' preference for surplus property and flood control (ex.).

- o -

For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of development on any particular bill.

- oOo -

a labor union in order to establish the prevailing wage?

Mr. ELLENDER. Oh, no. I am speaking of the difficulties which would arise by reason of these loans being made by the banks. As the Senator knows, under the FHA the Government does not put out a dime. The service rendered is that the loan is insured. The banks are assured that the loans will be paid. As Mr. Foley pointed out, if we begin to attach strings to such loans the bankers will not lend the money, and many homes will not be built. The building and repair of homes will be deterred.

Mr. MAGNUSON. I do not see why any banker, whether he comes from a town as small as the town from which my friend from Utah comes, or whether he comes from a small town in Louisiana, should be discouraged from making a loan because the contractor says, "I am going to pay the prevailing wage."

Mr. ELLENDER. But suppose the contractor does not pay the prevailing wage? The loan would not be in accordance with the law and the bank might find itself in distress when it attempted to enforce the payment of the loan.

Mr. MAGNUSON. Mr. President, any contractor who does not pay the prevailing wage should not be in business, anyway.

The determination of whether the prevailing wage is paid should not be difficult. The carpenters and other workers will know whether they are paid the prevailing wage. The requirement that the prevailing wage be paid will not necessarily hurt the small homes, any more than it hurts the large projects, because in most cases the contractors already are paying the prevailing wages.

The Senator from Louisiana, who is a distinguished member of the Committee on Naval Affairs, knows that that rule has been on the books with respect to navy yards. During the war the United States built naval bases in communities where probably nothing was known about labor unions. That did not mean, however, that the wage scale established there by the Secretary of the Navy was based on the wages prevailing in the nearest urban community, for as a matter of fact it might have been based on the wage-scale existing in a community thousands of miles away.

I do not think the adoption of the prevailing-wage amendment will deter the bankers at all. I think most of them will loan more money, because when they lend money on a project on which well-paid workmen are used, they will know that probably the workmen will be of the better class and will do a better job.

Mr. ELLENDER. Mr. President, I propose to follow Mr. Foley's views in this matter. I shall read all of his letter in a few minutes. I wish to emphasize the fact that this bill is most comprehensive. First, let me say that we spent a great deal of time on it, and this proposal of paying prevailing wages on all FHA loans was thrashed out many a time. Before the subcommittee, which first held hearings, efforts were made to put this amendment into the bill. Then when the bill came before the subcommittee of the Banking and Currency Committee, which heard all the evidence, I under-

stand that Senators were equally divided, and the full Banking and Currency Committee, which reported the bill to this body, voted down this provision. I am such it did so because it felt that although the amendment would not necessarily be entirely destructive, it would adversely affect the operation of the bill.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MURDOCK. The subcommittee of the Banking and Currency Committee, which heard all the evidence on the bill and listened to all the story of Mr. Foley and to all the other evidence, adopted the prevailing-wage amendment.

Mr. ELLENDER. I understood Senators were equally divided. In any event the full committee did not do so.

Mr. MURDOCK. Yes; for some reason or other which I cannot understand, it did not.

Mr. ELLENDER. Mr. President, I continue to read from the letter written by Mr. Foley:

Since participation of lending institutions in our program of mortgage insurance is purely voluntary and since no such requirement would attach to uninsured mortgages or to mortgages guaranteed or insured by the Veterans' Administration under the Servicemen's Readjustment Act, it seems clear that few, if any, lending institutions would be willing to participate in the Federal Housing Administration plan for the financing of new construction.

2. The amendment would appear to have the effect of completely preventing this administration from insuring any mortgage on existing construction, the construction of which was begun after June 3, 1939. While I am confident that this was not the intent of its proponents, your attention is called to the language of the provision which refers to construction which "was or is to be" commenced subsequent to the "effective date of this section" (approved June 3, 1939) and requires a determination by the Secretary of Labor "prior to the beginning of construction and after the date of filing of the application for insurance." Such condition would, of course, be impossible to meet with respect to existing construction.

3. The administrative difficulties presented would cause serious delay and uncertainty at a time when speedy construction of new dwellings is of the utmost importance.

I call your attention to a memorandum from the Department of Labor, which Senator WAGNER presented to the Senate during consideration of a similar proposal in 1938. It is printed in the CONGRESSIONAL RECORD of January 31, 1938, at page 1663, and contains the following statements:

"(1) It would mean that a prevailing wage rate would have to be determined in virtually every community, no matter how small, in the United States. The administrative difficulties involved would be very great; and delay that would be incurred would be a deterrent to the active construction so much needed in the very near future.

"(2) The word 'adequate' is not defined, nor can it be well defined as it refers to labor standards in this case. There is no definition in the law, and as a practical matter it would be almost impossible to define it administratively. It would have to vary from city to city and from town to town.

"(3) It would make it extremely difficult for families who need to do most of the building of their own houses to get their loans, and this is exactly the type of construction which we do not wish to discourage.

"The amendment violates the fundamental purpose of the bill, which is to get private capital immediately and quickly into the construction activity of the country for the

purpose of relieving unemployment and find a suitable investment for idle capital."

These administrative difficulties would not be alleviated under the proposal now under consideration, but would be vastly increased because not only would a determination of prevailing wage be required "for every community however small," but a separate determination would have to be made with respect to each application for insurance, since the provision requires it to be made "prior to the beginning of construction and after the date of filing the application for insurance."

Section 212 of the National Housing Act was designed to apply only to large-scale rental housing projects where the mortgages are insured, not upon completion, as in the small-house program, but prior to the start of construction, which is subject to constant inspection by this Administration. Each advance by the mortgagee during the progress of construction is made only after this Administration has determined that the prevailing wage has been paid and has specifically authorized the advance. Such a procedure would be wholly impracticable in connection with the small-house program because of the delays and expense involved in the more complicated procedure.

I am hoping that this letter may be helpful in clarifying your understanding of the effect of this proposal upon our operations.

Sincerely yours,

RAYMOND M. FOLEY,
Commissioner.

Mr. President, I shall not take any more of the time of the Senate. As I have indicated, this question was thoroughly discussed by us in the subcommittee which held all the hearings which form the basis of this bill, and that committee decided not to place the provision in the bill. The Banking and Currency Committee as a whole has likewise decided that such a provision probably would delay our building program.

I earnestly request the Senate to reject the amendment.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hawkes	O'Mahoney
Austin	Hayden	Overton
Ball	Hill	Pepper
Bankhead	Hoey	Reed
Barkley	Huffman	Robertson
Billbo	Johnson, Colo.	Saltonstall
Brewster	Knowland	Shipstead
Briggs	La Follette	Smith
Buck	Langer	Stewart
Byrd	Lucas	Taft
Capehart	McCarran	Taylor
Capper	McClellan	Thomas, Okla.
Carville	McFarland	Thomas, Utah
Donnell	McKellar	Tobey
Downey	McMahon	Tunnell
Eastland	Magnuson	Tydings
Ellender	Maybank	Vandenberg
Fulbright	Mead	Wagner
Gerry	Millikin	Walsh
Gossett	Mitchell	Wheeler
Green	Morse	Wherry
Guffey	Murdock	Wiley
Gurney	Murray	Young
Hart	O'Daniel	

The PRESIDING OFFICER. Seventy-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Utah [Mr. MURDOCK].

Mr. MURDOCK. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from West Virginia [Mr. KILGORE], who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "yea."

Mr. THOMAS, of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. MYERS], who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Texas [Mr. CONNALLY], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Georgia [Mr. GEORGE] and the Senator from New Mexico [Mr. HATCH] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

The Senator from West Virginia [Mr. KILGORE], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

I wish further to announce that if present and voting the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. RADCLIFFE] would vote "yea."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. STANFILL] are necessarily absent.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from Michigan [Mr. FERGUSON] is necessarily absent. If present, he would vote "yea."

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. CORDON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

The result was announced—yeas 51, nays 20, as follows:

YEAS—51

Aiken	Huffman	O'Mahoney
Austin	Johnson, Colo.	Pepper
Bankhead	Knowland	Saltonstall
Barkley	La Follette	Shipstead
Brewster	Langer	Smith
Briggs	Lucas	Stewart
Carville	McCarran	Taylor
Donnell	McFarland	Thomas, Okla.
Downey	McKellar	Thomas, Utah
Gerry	McMahon	Tobey
Gossett	Magnuson	Tunnell
Green	Maybank	Tydings
Guffey	Mead	Vandenberg
Gurney	Mitchell	Wagner
Hart	Morse	Walsh
Hayden	Murdock	Wheeler
Hill	Murray	Wiley

NAYS—20

Ball	Ellender	Overton
Bilbo	Fulbright	Reed
Buck	Hawkes	Robertson
Byrd	Hoe	Taft
Capehart	McClellan	Wherry
Capper	Millikin	Young
Eastland	O'Daniel	

NOT VOTING—25

Andrews	Ferguson	Radcliffe
Bailey	George	Revercomb
Bridges	Glass	Russell
Brooks	Hatch	Stanfill
Bushfield	Hickenlooper	White
Butler	Johnston, S. C.	Willis
Chavez	Kilgore	Wilson
Connally	Moore	
Cordon	Myers	

So Mr. MURDOCK's amendment was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 6064) to extend the Selective Training and Service Act of 1940, as amended, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 5244. An act to authorize the appointment of additional foreign-service officers in the classified grades; to the Committee on Foreign Relations.

H. R. 6064. An act to extend the Selective Training and Service Act of 1940, as amended, and for other purposes; ordered to be placed on the calendar.

VETERANS' EMERGENCY HOUSING ACT OF 1946—APPOINTMENT OF CONFEREES

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Under the order of the Senate of April 10, 1946, the Chair appoints the Senator from Kentucky [Mr. BARKLEY], the Senator from Utah [Mr. MURDOCK], the Senator from Idaho [Mr. TAYLOR], the Senator from Washington [Mr. MITCHELL], the Senator from Ohio [Mr. TAFT], the Senator from Delaware [Mr. BUCK], and the Senator from Indiana [Mr. CAPEHART] the conferees on the part of the Senate on the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

PHILIPPINE TRADE ACT OF 1946

The PRESIDING OFFICER (Mr. MITCHELL in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WALSH. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WALSH,

Mr. BARKLEY, Mr. CONNALLY, Mr. BYRD, Mr. LA FOLLETTE, Mr. VANDENBERG, and Mr. TAFT conferees on the part of the Senate.

NATIONAL HOUSING POLICY

The Senate resumed consideration of the bill (S. 1592) to establish a national housing policy and provide for its execution.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Ohio a question or two about the bill.

Is there any particular hurry about the passage of the bill? I do not make the inquiry with any ulterior motive, but in order to get before the Members of the Senate the fact that last Thursday, as I understood, when the Senator made his remarks in behalf of the bill, he said it provided a 10-year program, or approximately that, and that for the first 2 years the emergency housing bill would be included in the over-all picture, and that that would be taken care of first.

Will the distinguished Senator point out to me why it is necessary at this time, if that is true, to pass a long-range housing program of the comprehensibility of the pending bill, which involves such huge expenditures over a period of 4 or 5 years?

Mr. TAFT. Replying to the Senator from Nebraska, I might say that the emergency housing bill has nothing in particular to do with anything that is in the pending bill. The emergency housing bill is directed to the securing of materials and the stimulation of the procuring of materials which will make it possible to build houses.

So far as providing houses for a larger group of people is concerned, people of very low income, or those who would benefit from the stimulation of rental housing under the FHA provisions of the pending bill, the emergency housing bill has nothing to do with that subject whatever. I would say that the emergency housing bill relates merely to speeding up every housing program under existing law. But we think that that housing should be made available to as large a group of the population as possible, and not confined merely to those who are well-to-do.

Furthermore, the National Housing Administration has been established under the War Powers Act, and unless we enact a permanent law setting up a permanent housing agency, it will fall to pieces when the War Powers Act comes to an end, and before that happens we must provide for some permanent form of organization.

I believe that in providing a permanent form of organization we should provide a permanent and constant Government policy on housing, including all features of housing. Therefore it seems to me that while the bill does not have to be passed today, it is not like an emergency housing program, it is a matter for consideration as a part of the peace program, just as much as anything else we have been considering in all other fields of activity up to this time.

The program has been the subject of consideration by the Postwar Planning

General Eisenhower and other great military leaders have testified time and again before our committee on the desirability of volunteers instead of conscriptees. The volunteer makes the best soldier because he chooses his own vocation; he brings to the job an enthusiasm and ingenuity which the unwilling conscriptee can never duplicate.

A volunteer peacetime army is the American way. It follows the American tradition of 165 years. A conscripted peacetime army is the alien way. Every nation that has resorted to peacetime conscription has deteriorated into tyranny or incompetence. Their armies have been defeated by nations who held to the volunteer method in peacetime and only turned to conscription in wartime as a last resort. I voted against the extension of the Selective Service Act previously today for this reason as well as others. In my opinion, based on current figures of voluntary enlistment which will be greatly accelerated by this pay-raise bill, extension of the draft will no longer be necessary.

This pay-raise bill will also give a much-needed raise to men on retirement, many of whom are disabled as a result of injuries or illnesses suffered during the war. The cost-of-living rise will be alleviated to an appreciable degree by this increase.

This Nation is rich enough to protect American ideals without resorting to tyrannical methods, the methods of peacetime conscription are one of the alien practices we have been fighting. If we pay our armed forces personnel sufficient to make them proud of being a soldier, aviator, or sailor, we will have a real defense. If we then proceed to eliminate the social caste system, the enforcement of servility rather than deserved respect toward superior rank, we will see a great change in the attitude of American citizens toward the military.

The standards and practices of the past are obsolete. The atomic age has already begun. Let us readjust our thinking. The framework of old ideas will not provide an answer to the problems of the new atomic age.

Mr. NORBLAD. Mr. Speaker, the provisions for the increase in pay of the lower ranks are necessary if we are to obtain a sufficiently large military and naval force to justify our commitments and discontinue the draft act. However, the pay increases proposed for the higher ranks are unjustified, in my opinion.

The great bulk of officers in our services at the present time are those of the Regular Army and Navy and they now have pay increases way out of proportion with those of the civilian population. Men who were, a few years ago and still would be under normal circumstances, first lieutenants and now lieutenant colonels and colonels. Men bearing the rank of captain in the Army are often colonels or generals and have accordingly received a pay increase of two to three times their former base pay. The services speak fluently of reducing the ranks of officers to make it commensurate with the size of the present enlisted personnel but they seem to accomplish little besides promising to take this action. With a peacetime army which will be about nine

times the size of the former peacetime army, many of these men will necessarily never revert to their former status. As a result they will have a very substantial pay increase as well as increases in subsistence and quarters and certainly this pay increase is only adding an unnecessary burden onto our taxpayer. In view of the increasing costs of living, I should not complain if these increases in pay were justified but that is not the case.

I wish to also call your attention to the continuance of the unwarranted payments of so-called flight pay. The gentleman from New York [Mr. WADSWORTH] has already spoken on this subject. This added pay which is 50 percent of the base pay, was granted years ago when flying an airplane was a very hazardous occupation. That condition does not obtain today and this extra payment should be discontinued. All that a flying officer need do is to fly an airplane or ride with someone else for a period of four hours each month and he collects this extra 50 percent. Spending a pleasant afternoon at the airport flying these few hours and obtaining an extra allowance ranging from slightly less than \$100 to about \$250 for the same thing that civilians are paying a high hourly rate, hardly seems logical. It is not fair to those paying the tax bill nor to those in the other services. Discontinuance of flight pay will not in any way cripple the air services. There are thousands of young men only too willing and eager to obtain the opportunity to fly and I know of many friends of mine who were pilots in this war who are extremely anxious to stay in the air corps.

Mrs. DOUGLAS of Illinois. Mr. Speaker, I am voting for an increase in pay in our armed services. I believe that this increase will provide all the volunteers we need to make good our commitments abroad.

I voted for the extension of selective service today, feeling that as an extra precaution we should retain selective-service machinery until we have proved that we can recruit our occupation forces and fulfill our commitments under the United Nations Organization through volunteer methods.

I voted for the amendment to exempt boys from 18 to 20 years old from the draft, because I do not believe boys of that age should be sent into Germany, and in their loneliness and with their lack of judgment exposed to slick German propaganda which is functioning today with deadly effectiveness.

The SPEAKER. The question is on suspending the rules and passing the bill, as amended.

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 16, noes 13.

Mr. BRADLEY of Michigan. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL

Mr. KERR submitted the following conference report and statement on the bill (H. R. 5400) making appropriations

for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4½.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$110,125,250"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$144,065,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 6 of the matter inserted by said amendment strike out the word "equal" and insert in lieu thereof the word "comparable"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 4,* 5, and 7.

JOHN H. KERR,
GEORGE MAHON,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
FRANCIS CASE,
HARVE TIBBOTT,

Managers on the Part of the House.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
ELBERT D. THOMAS,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report, as to each of such amendments, namely:

Amendment No. 2, rivers and harbors: Appropriates \$110,125,250, instead of \$118,551,250 proposed by the Senate and \$97,883,250 proposed by the House. The increase over the amount carried in the House bill proposes to include the following projects in the amounts indicated:

Crescent City Harbor, Calif.....	\$1,000,000
New Haven Harbor, Conn.....	500,000
Bridgeport Harbor, Conn.....	100,000
St. Johns River, Fla., Jacksonville to Lake Harney.....	300,000

St. Johns River, Fla., Jacksonville to the ocean (in addition to \$83,000 allowed by House)-----	\$1,689,000
Lake Worth Inlet, Fla.-----	711,000
Tampa Harbor, Fla. (in addition to \$19,400 allowed by House)----	200,000
St. Marks River, Fla.-----	71,000
Savannah Harbor, Ga.-----	1,000,000
Gulf Intracoastal Waterway (New Orleans district)-----	1,800,000
Bayous Petit Anse, Tigre, and Carlin, La.-----	160,000
Cape Vincent Harbor, N. Y.-----	59,000
Cape Fear River, N. C., at and below Wilmington, and Northeast (Cape Fear) River, as authorized in H. Doc. No. 131, 76th Cong.; S. Doc. No. 83, 76th Cong.; and S. Doc. No. 170, 76th Cong.-----	1,000,000
Channel from Pamlico Sound to Avon, N. C.-----	16,500
Columbia River, Oreg., and Wash., Umatilla (McNary) Dam (in addition to \$600,000 allowed by House for advance planning)-----	2,000,000
Columbia River between Vancouver, Wash., and Bonneville, Oreg. (in addition to \$39,000 allowed by House)-----	200,000
Columbia River and tributaries above Celilo Falls to mouth of Snake River, Oreg. and Wash.-----	30,000
Winyah Bay, S. C.-----	630,000
Wolf River (Memphis Harbor), Tenn.-----	100,000
Brazos Island Harbor, Port Isabel, Tex.-----	127,500
Sabine-Neches waterway, Texas.-----	37,000
Sturgeon Bay and Lake Michigan ship canal, Wisconsin-----	11,000
Wrangell Narrows, Alaska-----	500,000

Total increase in amendment No. 2----- 12,242,000

Amendment No. 3, flood control: Appropriates \$144,065,000, instead of \$162,777,500 proposed by the Senate and \$110,814,000 proposed by the House. The increase over the amount carried in the House bill proposes to include the following projects in the amounts indicated:

Bull Shoals Reservoir, Ark. (in addition to \$3,585,200 allowed by House)-----	\$1,414,800
North Little Rock to Gillett, Ark.-----	150,000
Augusta to Clarendon, Ark.-----	500,000
Van Buren, Ark.-----	301,000
Crawford County levee district, Arkansas-----	400,000
McLean Bottom levee district No. 3, Arkansas-----	204,200
Near Dardanelle, Ark.-----	203,300
Conway County levy district No. 6, Arkansas-----	360,700
Conway County levee districts Nos. 1, 2, and 8, Arkansas-----	400,000
Roland drainage district, Arkansas-----	331,500
Little Rock to Pine Bluff, Ark.-----	450,000
Holbrook, Ariz.-----	243,000
San Gabriel River, Calif.-----	650,000
Colorado Springs, Colo.-----	475,000
Cherry Creek Reservoir, Colo.-----	2,968,500
Allatoona Reservoir, Ga. (in addition to \$4,000,000 allowed by House)-----	500,000
Clark Hill Reservoir, Ga. and S. C. (in addition to \$4,000,000 allowed by House)-----	500,000
Helse-Roberts area, Snake River, Idaho-----	250,000
Stringtown, Fort Chartres, and Ivy Landing, Ill.-----	392,200
Wood River levee, Illinois-----	400,000
Preston drainage and levee district, Illinois-----	100,000
Harrisonville and Ivy Landing drainage levee district, Illinois-----	426,000
Farm Creek Reservoirs, Ill. (in addition to \$100,000 allowed by House)-----	500,000

Cannelton, Ind.-----	\$500,000
Kansas Cltys, Kans. and Mo. (in addition to \$2,000,000 allowed by House)-----	500,000
Wichita and Valley Center, Kans.-----	1,000,000
Wolf Creek Reservoir, Ky. (in addition to \$3,500,000 allowed by House)-----	800,000
Boeuf, Tensas Rivers, and Bayou Macon, La.-----	1,000,000
Plneville, La.-----	128,300
Aloha Rigolette area, Louisiana-----	500,000
Tully Reservoir, Mass.-----	659,000
Holyoke, Mass. (to provide for the Springdale section of the Holyoke project and is in addition to \$763,000 allowed by the House)-----	344,000
Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries and on Hull-Brakemill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.-----	500,000
Harlan County Reservoir, Nebr. (in addition to \$1,500,000 allowed by House)-----	250,000
Garrison Reservoir, N. Dak. (in addition to \$3,000,000 allowed by House)-----	1,000,000
Baldhill Reservoir, N. Dak.-----	300,000
Hulah Reservoir, Okla.-----	2,500,000
Tenkiller Ferry Reservoir, Okla.-----	1,000,000
Jenks, Okla.-----	249,500
Detroit Reservoir, Oreg. (in addition to \$1,500,000 allowed by House)-----	200,000
Lookout Point Reservoir, Oreg.-----	1,000,000
Willamette River, Oreg. (bank protection)-----	450,000
East branch, Clarion River Reservoir, Pa.-----	500,000
Oahe Reservoir, S. Dak. (for advance planning and is in addition to \$100,000 allowed by House)-----	600,000
Fort Randall Reservoir, S. Dak. (in addition to \$1,000,000 allowed by House either for plans or initiating construction of this project)-----	2,500,000
Center Hill Reservoir, Tenn. (in addition to \$3,500,000 allowed by House)-----	650,000
San Angelo Reservoir and Floodway, Tex. (in addition to \$40,000 allowed by House for advance planning)-----	2,000,000
Whitney Reservoir, Tex.-----	2,000,000
Bluestone Reservoir, W. Va. (in addition to \$3,500,000 allowed by House)-----	500,000

Total increases agreed to by conferees in amendment No. 3----- 33,751,000

Less following Senate decreases, agreed to by conferees:

Tuttle Creek Reservoir, Kans. (advance planning)-----	\$400,000
Oologah Reservoir, Okla. (advance planning)-----	100,000

500,000

Net increase in amendment No. 3----- 33,251,000

Amendment No. 4½. Eliminates all language proposed by the Senate.

Amendment No. 6, flood control, Sutton Reservoir, W. Va.: Appropriates \$750,000 instead of \$1,000,000 proposed by the Senate.

Amendment No. 8. Proposes to insert the word "comparable" in place of the word "equal" and adopt Senate language.

The language of this section as passed by the House had reference to Indian lands in North Dakota and in South Dakota above the

Oahe Dam. Inasmuch as there are no appropriations in the bill for the construction of any dam which would affect Indian lands in South Dakota above the Oahe Dam, the language in the amendment affecting Indian lands in North Dakota only is needed at this time.

AMENDMENTS REPORTED IN DISAGREEMENT

Following is a statement of the amendments reported in disagreement and of the motion that has been authorized by the managers on the part of the House to be made in regards to each:

Amendment No. 1, relating to the amount of expenditures authorized for technical and clerical personnel in the Office of the Chief of Engineers: A motion to concur in the Senate amendment will be offered.

Amendment No. 4, relating to the construction of the Fort Gibson flood-control project in Oklahoma: A motion to concur in the Senate amendment will be offered.

Amendment No. 5, relating to flood control on Kings River and Tulare Lake, Calif.: A motion to concur in the Senate amendment will be offered with an amendment reading as follows:

"Flood control, Kings River and Tulare Lake, California: For construction of works for flood control and other purposes on the Kings River and Tulare Lake, California, \$1,000,000, as authorized in Public Law Numbered 534, Seventy-eighth Congress, second session, approved December 22, 1944: *Provided*, That none of the appropriation for the Kings River and Tulare Lake project, California, shall be used for the construction of the dam until the Secretary of War has received the reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and, with the concurrence of the Secretary of the Interior, shall have made a determination as to what the allocation shall be: *Provided further*, That the reports from these continuing studies shall be made not later than six months from the date of the enactment of this Act and that the agreement of concurrence shall be made not later than nine months from the date of the enactment of this Act."

Amendment No. 7, relating to the employment of labor, Panama Canal: A motion to concur in the Senate amendment will be offered with an amendment in line 13 of the enrolled bill, after the word "positions", strike out the following language: "with the proviso that any positions now filled by persons not citizens of the Republic of Panama or the United States which are vacated for any cause shall be filled in compliance with the terms of this section as adopted for the fiscal year 1946".

JOHN H. KERR,
GEORGE MAHON,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
FRANCIS CASE,
HARVE TIBBOTT,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. COOLEY asked and was given permission to revise and extend the remarks he made today on the surplus-property bill.

NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, with a Senate amendment, disagree to the Sen-

ate amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. BARRY, Mr. WOLCOTT, Mr. CRAWFORD, and Mr. GAMBLE.

EXTENSION OF REMARKS

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD.

EMERGENCY PRICE CONTROL ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 591 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 days to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF PRICE CONTROL ACT

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain letters.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, I take it everyone is familiar with the rule, and especially with the bill which this rules makes in order.

The rule provides for 2 days' general debate, giving nearly every Member an opportunity to be heard. After general debate the bill will be taken up under the 5-minute rule, it being an open rule.

I do not think it is necessary for me to say anything as to the rule. I know nearly all of you realize the importance of this legislation. I presume you are familiar with the fact that at least 90 to 95 percent of the American people urge, plead, and demand extension of the act. I fully appreciate that there is a certain small but very loud and persistent minority, who have been opposed, who have been trying to delay and defeat the extension of this act which, if not extended, would mean wreck and ruin to our country and would bring about inflation which might destroy our economy. Consequently, I urge and plead that favorable action be taken on the bill.

PETITION WITH 500,000 NAMES

Just before coming down I was presented with a petition signed by at least

500,000 men and women of Illinois urging that favorable action be taken on the bill.

I have in my hand, Mr. Speaker, a list of civic and commercial organizations from all over the United States placing themselves on record in favor of this legislation. The only organizations I know of who are opposed to it are the National Association of Manufacturers and a few other associations and institutes with selfish, greedy interests who, unfortunately, although they have made more money than ever before in history, resent being restricted from holding up the American people further.

PRICES WOULD GO SKY HIGH WITHOUT CONTROLS

We know that if this legislation should not be enacted what will happen to this country, for within the past few months we have had several experiences pointing in that direction. When OPA eliminated the ceiling on oranges and grapefruit upon the representation that the price would go down we witnessed a 300-percent price increase. The price went up from \$2 to \$5 a box on citrus fruit. Another experience was with rye. Rye, as you know, for years has sold at from 25 to 40 percent below wheat, and perhaps 15 percent below corn, but because there is no restriction on the price of rye the gamblers and manipulators have taken advantage of that fact, and rye is selling today at about \$2.40 a bushel when wheat is selling for only \$1.80 and corn for about \$1.40. This merely shows what these speculators will do when the restrictions are removed. If these restrictions are removed we shall witness a duplication of the infamous price increases that occurred after the last war. We must do all in our power to prevent inflation, which, as I said, might ruin or destroy our economy.

PRODUCTION MAY REACH 160 BILLIONS THIS YEAR

The National Association of Manufacturers and other similar and powerful groups who have at heart only their own interest and profit have charged that the OPA has retarded reconversion. The actual, true figures show that those charges are without foundation in fact. We are now producing goods and services at the rate of \$145,000,000,000 worth a year, as against \$129,000,000,000 worth in the banner year of 1929, and we are constantly increasing our production. I venture to prophesy that in the year 1946 we will reach the production figure of \$160,000,000,000, as compared with \$45,000,000,000 worth in 1932.

In fact, notwithstanding some strikes and lock-outs, we are going ahead, and we should give thanks to God that we have the OPA, as otherwise prices would go sky high. That is proved by experience with all articles in demand on which there are no ceilings.

COMMERCIAL RENTS DREADFUL EXAMPLE

May I not call your attention, Mr. Speaker, to the dreadful example of commercial rents, and the terrible increases in them? Exempted from the rent-control provisions of the price administration act, office and business rents have shot up, all over the country, from 50 to 300 percent. That would happen to home rentals if we removed the con-

trols as some real-estate operators and owners have been urging.

FARMERS ARE CONSUMERS TOO

I regret that some farmers are being misled and made to believe that if ceiling prices are removed commodities would go up, at the farm, 50 percent or even 100 percent. There would be a rise, all right; but farmers would get little of it, and the things they have to buy also would rise in the same proportion. The ultimate end would be disaster. Cotton, for instance, is selling for 28 cents a pound. If the ceiling were removed, for a few weeks the men who hold it—the speculators, not the growers—might get more. Then there is bound to be a crash. Many countries are growing cotton now, and selling it for 15 cents as against 28 cents here. We cannot unload our cotton at double the prices other countries will sell their cotton.

Let me say that I hope this tremendous lobby that has been swamping us with hundreds of telegrams, air-mail special-delivery letters, expensive booklets, pamphlets, releases, on which they must have spent hundreds of thousands of dollars will not sway anyone. I hope you will stand by the people, with the best interests of the country at heart, and not the interest of only a few. There are some few contractors, speculators, and "institutes" representing industries, who have made and are making more money than ever before in their existence, who have no limit to their avarice, who would be willing to risk national interest and their own ruin for quick profits who are opposing extension of the Price Control Act.

THERE IS NOTHING PERFECT UNDER THE SUN

Of course mistakes have been made in the Office of Price Administration. That is inevitable. There is nothing perfect under the sun, and when you take into consideration the thousands and thousands of articles on which price ceilings were set, Mr. Speaker, we will all agree that no one here in this House could have done better than those men and women, who, for the benefit of the public, have worked late and at night and on their holidays without additional compensation. They were just average citizens, American citizens, chosen from trades and professions, and they have worked heroically to hold the line against inflation.

LETTER TO PAUL PORTER ALL SHOULD READ

I have asked unanimous consent to extend and revise my remarks and include some letters. To conserve space, I will select only a few, and of some of those only portions.

But there is one letter, Mr. Speaker, which I wrote to Mr. Paul Porter, Administrator of the Office of Price Administration which I hope every Member, for his own good, will read. I do not believe any open-minded Member can read this warning and not agree that extension of the Price Control Act is absolutely necessary, and that it should be extended at once, without delay, and without any weakening amendments. I will not pretend to sole authorship of this letter I praise so highly; it was drafted by an

outstanding citizen for whose judgment and skill I have great respect.

SO LET'S ABOLISH OPA AND BANKRUPT AMERICA

Following is the text of that letter:

HOUSE OF REPRESENTATIVES, U. S.,

COMMITTEE ON RULES,

Washington, D. C., April 15, 1946.

HON. PAUL A. PORTER,

Administrator, Office of Price Administration, Washington, D. C.

DEAR MR. PORTER: Some people don't like OPA. So let's abolish OPA. What would happen?

Nothing much—

Except prices would shoot up. Every week living costs would be higher. A few people with the most money and a few dealers with highly paid customers would get most of the homes and meat and clothes that are still scarce. Millions of veterans and war workers would hunger.

Except doubled or trebled prices would soon cut the value of our earnings, savings, and insurance to a half or a third of their value.

Except the speculators and profiteers would have a field day. They would stuff warehouses and vacant lots with raw materials and parts. This would hold critical supplies from assembly lines. Artificial shortages would grow. Costs and prices would be forced higher.

Except workers would shift from job to job searching for pay checks big enough to pay rent and grocery bills. They would move to cheaper houses. Wives and kids would eat less and there would be silent supper tables and then talk of "making ends meet." These costs would not appear on books or budgets.

Except factories would have to bid frantically against each other for workers and scarce materials. Costs would be bid up again and again. No one could guess what next month's costs would be. No one could guess how many customers could afford to buy. Fear would riddle our expanded production plans.

Except business reserves would lose their value. Veterans and small businesses would be hurt most. They would be unable to compete for scarce supplies or good locations. Thousands would take dead places in rows of inanimate statistics called business failures.

Except all businesses would be forced to replenish exhausted stocks with triple-priced goods, if they could get them, and face losses when the boom was over and the bottom fell out of gravy-train prices.

Except costs and prices would chase each other so high that fewer and fewer people could buy. Americans would buy less. Stores would cut their orders. Factories would slow down and close. Jobs and pay checks would vanish.

Except farmers would lose their markets. Thousands of farm mortgages would again be foreclosed.

Except that we could hardly count the bewildered unemployed who would stare at their bankrupt employers.

Nothing much would happen.

So let's abolish OPA.

Cordially yours,

A. J. SABATH,
Member of Congress.

THE PEOPLE SPEAK

I should like, Mr. Speaker, to mention by name the scores of national and local organizations that have written to me. I should like to include the cogent editorials from many newspapers, and not by any means from the handful of pro-administration papers. I should like to include the searching editorial columns such as those by Samuel Grafton of the New York Post, and of Sylvia Porter of the same paper, and by Drew Pearson

and Carleton Kent and many others. I shall refrain, however, because most of you read them yourselves, or you read similar expressions.

These are the authentic voices of the people. Stick by the people and they will stick by you. As I said, to economize on space I shall include only a few letters. The first is from a man many of you know, John T. Bernard, now PAC director for a large union in Chicago.

DEAR CONGRESSMAN SABATH: As you can readily understand, our membership is very much interested in the renewal of Price Control and Stabilization Act.

We are well aware that one of the most vicious lobbies ever to strike our National Capitol, is working day and night to have the bill defeated, or amended to death.

Yours is the responsibility to be in there pitching for the little folks, to fight, speak, organize, and vote for renewal of the bill. This we are convinced you will be doing, for it is of tremendous importance to the welfare of the American people.

Cordially yours,

JOHN T. BERNARD,
Chicago UE-PAC Director.

I include only a portion of a "call to action" against inflation signed by representatives of 31 national organizations:

FIGHT INFLATION NOW—A CALL TO ACTION

We, the undersigned, call upon members of our organizations, other organizations and all other citizens to unite now for the immediate extension of the Price Control Act.

The present Price Control Act expires June 30.

If the act is not extended, prices will soar, rents will skyrocket, the value of the dollar will tumble—inflation will have us in its grip.

Business should know now whether or not there will be ceiling prices after June 30.

If Congress should amend the act to require OPA to grant a price increase whenever there is an increase in cost, or place any similar limitation on OPA's established policy, it would invite the spiral of inflation and destroy the act.

Congress must provide OPA with a large enough appropriation to maintain its present organization in full force.

We, the people, all of us, want price and rent control for another year; immediate extension of the Price Control Act; no weakening amendments; adequate appropriations for the big job of holding the line against inflation.

Helen C. White, President, American Association of University Women; Ralph E. Hemstead, General Secretary, American Association of University Professors; Lelia Massey, Executive Secretary, American Home Economics Association; Jack W. Hardy, National Commander, American Veterans of World War II (Amvets); Faye Stephenson, President, Congress of Women's Auxiliaries, CIO; Ray Gibbons, Executive Secretary, Council for Social Action of Congregational Churches; Colston E. Warne, President, Consumers Union of United States; Mae Wright Downs, President, Delta Sigma Theta Sorority; Mrs. LaFell Dickinson, President, General Federation of Women's Clubs; Jo Davidson, Chairman, Indiana Citizens Committee for Arts, Sciences, Professions; Katharine Armatage, President, League of Women Shoppers; Bishop Lewis O. Hartman, President, Methodist Federation for Social Service; Mrs. Henry A. Ingraham, President, National Board, Young Women's

Christian Association; Mrs. William A. Hastings, President, National Congress of Parents and Teachers; Cecile P. Henry, President, National Congress of Colored Parents and Teachers; Alice Hamilton, President, National Consumers League; Ruth Craven, Executive Secretary, National Council of Catholic Women; Mrs. Joseph M. Welt, President, National Council of Jewish Women; Mary McLeon Bethune, President, National Council of Negro Women; Willard E. Givens, Executive Secretary, National Education Association; James G. Patton, President, National Farmers' Union; Clyde B. Murray, President, National Federation of Settlements; Anna Lord Strauss, President, National League of Women Voters; Lester B. Granger, Executive Secretary, National Urban League; Rose Schneiderman, President, National Women's Trade Union League; George C. Hatch, President, New Council of American Business; Thomasina Johnson, Legislative Representative, Non-Partisan Council, A. K. A. Sorority; Clark Foreman, President, Southern Conference for Human Welfare; Reinhold Niebuhr, Chairman, Union for Democratic Action; Mrs. Herman Lowe, President, Women's Auxiliaries of Labor, A. F. of L.; Thelma Stevens, Executive Secretary, Woman's Division of Methodist Church.

MANY ASK FOR EXTENSION OF OPA

Some Members seem to think that only organized labor asks for continuation of price control. Yet the dominantly conservative Illinois League of Women Voters sends me a resolution on price control as strong as that of the almost equally conservative AFL Local 637 of the Brotherhood of Painters, Decorators, and Paperhangers. I wish I could reproduce both; but they are as long as they are excellent, and I refrain. Here is a latter signed jointly by Dennis McCarthy for the Labor Advisory Committee and Roy Burrus for the Agricultural Advisory Committee telling of a cost-of-living conference at West Frankfort, Ill., to fight inflation and urge continuation of price control, and attended by 283 registered representatives of farm, labor, and other public welfare organizations in southern Illinois. It is not just the people of the cities, either, who want price control extended.

The National Farmers Union gave to Chester Bowles its first award for the most outstanding service to agriculture in 1945.

The Chicago Federation of Consumers asks for 18 months' extension with no weakening amendments. Arthur W. Walz, president of the Chicago teachers—and Chicago teachers know something about this subject, you may recall—warns of the dangers of inflation followed inevitably by deflation and consequent mass unemployment, wage cuts, and tax crises.

No one will successfully accuse the General Federation of Women's Clubs of undue liberalism; one of their resolutions declares that in no war in the history of the United States has the general public been so successfully guarded against runaway prices and serious inflation, and

The company has paid dividends every year since 1847 amounting to \$1,297,893,025, and it has paid in wages over \$10,000,000,000. Through cycles of prosperity, depressions, and wars it has never failed to meet a financial obligation when due.

From January 1, 1941, until December 1, 1945, 17,507,647 men and women of the armed services were moved over the system, requiring 29,670 extra trains and 400,000 cars. During the same period it hauled 1,400,000,000 tons of freight.

This is a record of achievement that has had no parallel in the world. Will the spirit that made possible this achievement be crucified by a ruthless combination of self-seeking politicians and communistic crackpots?

Extension of Selective Service

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. GILLIE. Mr. Speaker, I have followed the debate on this legislation during the past 2 days with the keenest interest, and have been deeply impressed with the honesty, sincerity, and earnestness which has been displayed by all members who have participated in the discussion of this vital question. The pros and cons of the bill have been ably argued by members of the Military Affairs Committee, and there is very little that I can add to what already has been said.

I would, however, like to express my firm agreement with the argument which has been offered by the gentleman from Missouri [Mr. SHORT] and others that we should give the voluntary system a chance to prove itself before we break with tradition and, for the first time in America's history, vote to send conscripts overseas in time of peace.

I am sorry that we are not voting today on the pay increase bill for members of the armed forces. This body already has voted \$400 pay increases for postal workers and civilian employees of the Government, and I believe we should extend these increases to members of the military without delay. I further believe that if we do this, extension of the draft will become wholly unnecessary.

The War Department has testified that if we increase the pay of privates by only \$10 a month, voluntary enlistments can be expected to increase by 30 percent. If this is true, and it is a logical assumption, a \$400 annual increase should more than provide the incentive necessary to fill all personnel requirements of the armed forces.

All of us here today want America to remain strong in this postwar period and able to defend herself. The only thing we differ on, and it is an honest difference, is the method whereby we can achieve this common objective.

I have always believed that the volunteer army is the best army in the world. I have always believed that free men could outwork, outproduce, and outfight slaves.

In times of war a nation has the right to compel its able-bodied men to serve in the armed forces, because a nation is entitled to take whatever means are necessary to save its own life. But the rights which a nation has when its existence is obviously threatened do not obtain when the nation is at peace and the danger to its future existence is remote.

There is no justification for taking our 18- and 19-year-olds away from their schools and their careers and drafting them into a peacetime army. We have no right to gamble with the lives and future destinies of these young men. I think we made a mistake by drafting them even in wartime. I certainly am opposed to drafting them for occupation duties for which they are totally unfit. We need older men, with mature judgment, for our occupation forces—not teen-age kids who are in no way qualified for such responsibilities.

I have found no support for this proposal among the people of my district. On the contrary, I have found bitter opposition among my churches, my labor unions, and my sober-minded citizens. They say—and I agree with them—that we should not saddle upon our people a peacetime draft, an Old World system which is totally foreign to the traditions of a free people.

Let the draft law expire on May 15 as we intended it to. Encourage enlistments by voting substantial pay increases and offering other inducements to career-minded young men. Do this and I predict that we will obtain all the volunteers we need to keep our armed forces fully manned and prepared for any eventuality.

National Farm Loan Associations

EXTENSION OF REMARKS

OF

HON. CHARLES R. ROBERTSON

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. ROBERTSON of North Dakota. Mr. Speaker, the national farm loan associations are a part of the Federal land-bank system and are wholly and entirely subject to the supervisory authority of the Farm Credit Administration.

It is the general belief of most of the directors and officials that the employees of these institutions should be included under the same provisions for civil-service retirement benefits as are now accorded the Federal land banks.

I include here a resolution adopted and signed by the directors of the Cavalier County National Farm Loan Association, Langdon, N. Dak.:

Whereas national farm loan associations are an integral part of the Federal land-bank system, and are wholly and entirely subject to the supervisory authority of the Farm Credit Administration; and

Whereas by an act of Congress, passed January 24, 1942, the employees of the Federal land banks were covered under the Civil Service Retirement Act, section 3 (a); and

Whereas employees of national farm loan associations, most of whom have been in the employ of these associations for more than 12 years, are not covered by any system of retirement benefits: Therefore be it

Resolved by all secretary-treasurers of the Seventh Farm Credit District in a conference assembled at St. Paul, Minn., on the 20th day of March 1946, That we urge the speedy enactment by the Congress of legislation which shall provide for the inclusion of all the employees of national farm loan associations under the same provisions for civil-service-retirement benefits as are now accorded to the employees of the Federal land banks; and be it further

Resolved, That a copy of this resolution be forwarded to all United States Senators and Members of Congress from the States of North Dakota, Minnesota, Wisconsin, and Michigan.

MARCH 20, 1946.

We, the directors of the Cavalier County National Farm Loan Association, are wholly in accord with the contents of the above resolution and do recommend and urge our members in Congress to support such legislation as referred to in said resolution.

The secretary-treasurer of this board is instructed to forward a copy of this to the North Dakota Senators and Members of the United States Congress.

Jos. T. WILD,
Osnabrock, N. Dak.
PETER MCKECHNEY,
Calvin, N. Dak.
PETER JIMINY,
Munich, N. Dak.
OTTO DETTLER,
Langdon, N. Dak.
Ed. A. HILL,
Wales, N. Dak.

We Must Give Our Aged Citizens the Consideration They Deserve

EXTENSION OF REMARKS

OF

HON. GORDON L. McDONOUGH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. McDONOUGH. Mr. Speaker, this Congress has delayed too long in the consideration of legislation which would grant some measure of security for senior citizens of the United States. I believe it is the duty of the Members of Congress to recognize the needs of these men and women who have contributed years of valuable service to the communities in which they live and to the Nation, and who have now reached an age where they can no longer find employment and are unable to earn the money necessary to supply food, shelter, and clothing. I believe it is the duty of the Congress to do something about it now.

Senior citizens who were not covered by the benefits of the Social Security Act during their productive years, and who were unable to lay aside a sufficient sum to care for themselves in their declining years are faced with the choice of begging for help from relatives who may be unable to bear the additional burden, or of humiliating themselves in a search for charity.

Some States have provided old-age benefits, but these are, for the most

part, wholly inadequate in the face of a steadily rising cost of living and a continued scarcity in many low-priced materials.

Certainly it is the first duty of the Government to alleviate the suffering of its citizens. The United States has not hesitated to answer the appeals for food and clothing, and for funds to supply these to the needy of war-torn Europe and Asia. Certainly the representatives of the people should not now turn a deaf ear to the need of Americans here at home whose situation will soon become desperate if some action is not taken.

I believe our senior citizens have earned the right to retire from their labors, releasing positions to younger men and women with family responsibilities, and to be assured of an income adequate to supply their needs. I do not feel this would be granting a charity, but rather a retirement pay to which these men and women are entitled as citizens who have produced for the Nation, and who have contributed taxes for the maintenance of the Government over a long period of years.

I therefore urge that this Congress consider legislation now to grant adequate retirement benefits to our senior citizens.

Give the Vets a Chance

EXTENSION OF REMARKS OF

HON. E. H. HEDRICK

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. HEDRICK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Beckley (W. Va.) Post-Herald of Wednesday, April 10, 1946:

GIVE THE VETS A BREAK

Many of the rosy promises made to the returning veterans by Congress have turned out to be just promises—as was to be expected—but the one that has disappointed the returning veterans more than anything else—except housing—is the promise that they would be given a high priority on purchase of surplus Army and Navy materials.

According to the promises, translated into legislation, veterans would be allowed to buy any surplus equipment needed for business or profession. Under terms of that act, veterans have sought trucks, bulldozers, cameras, jeeps, automobiles, dental and medical equipment, printing equipment and a host of other items duly certified by the War Assets Administration as being surplus.

Much of the disgust of the veterans, they have found that their "priority" is fourth or fifth in line, with the Federal Government, the State government, the county government and the municipal government ahead of them, and, many times, dealers in second-hand equipment, though they were not given any priority by law.

The result has been that thousands of veterans have traveled long distances to such sales, only to find that everything movable has already been sold, and, in a few cases, a small amount of junk remains.

Individual victims of this vicious practice have been aroused for several months, and now their indignation is spreading to organ-

ized groups, where some action may be expected.

This week Raleigh County Post, No. 32, American Legion, passed a strong resolution against the run-around being given its members, and a committee was appointed with power to take whatever action it deems necessary to bring some relief.

Beckley has started the ball rolling, and the Legion deserves the support of all citizens, and of all other Legion posts, to stop this disgraceful practice. It can be stopped in an instant by Congress by a simple resolution to freeze all surplus property until veterans have been allowed to purchase what they need for legitimate business.

It is not likely that the Government can dispose of a large percentage of its huge surplus by this method, and it is very likely that such sales will be less profitable than selling large quantities to second-hand dealers, but it would give the veteran the preference he was promised—and which he deserves.

Democratic Party in Wisconsin Hits New Low

EXTENSION OF REMARKS OF

HON. LAWRENCE H. SMITH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, April 13, 1946

Mr. SMITH of Wisconsin. Mr. Speaker, a very interesting letter has come to my attention and it reaches me through a junior civil-service employee in the city of Washington. This is a circular letter and apparently has been sent to all former Wisconsin residents who are now employed by the Government in civil-service positions or otherwise. This person who gave me the information is a young lady who has no connection with the Democratic Party in Wisconsin and no doubt, her name has been secured from the civil-service register. If this is so, Mr. Speaker, it is a contemptible practice on the part of someone close to the administration. In no other way would it have been possible for the Democratic Party of Wisconsin to have secured her name. Indeed, the Democrats in Wisconsin have reached a new low when they find it necessary to solicit young girls away from home, working for a very meager salary. This practice should be condemned and those responsible for giving out this information should be discharged from the public pay rolls.

Under leave to extend my remarks, I include herewith, the entire letter which is over the signature of Charles P. Greene as general chairman of the Jackson Day campaign committee. It would seem that the Democrats expect Government employees to keep them in office and they do not care where the money comes from:

JACKSON DAY CAMPAIGN COMMITTEE,
Milwaukee, Wis.

DEAR FELLOW DEMOCRAT: We are now entering one of the most decisive campaigns in the political history of Wisconsin. As members of the oldest political party in the world, the Democratic Party, we must concentrate our efforts to meet the challenge of the times.

On the national scene, a loss of only 9 seats in the United States Senate and a loss of only 27 seats in the House of Representatives would mean loss of Democratic control in both Houses. The results for our own Nation and for the world would be disastrous.

Here in Wisconsin we will elect 1 Senator and 10 Congressmen on the basis of issues clearly defined as liberalism versus a combination of reaction and political expediency.

If Wisconsin voters understand these issues, the Democratic Party will capture the majority of the State's delegation to Congress. This is an unparalleled opportunity, and we must make every vote and every dollar count.

To get our message to the people of the State will require money. This is a direct appeal to you to dig down into your pocket and give what you can to the 1946 Democratic battle fund.

You are acquainted, of course, with the custom of holding an annual Democratic fund-raising drive. I have again been appointed chairman and general treasurer of that drive by National Committeeman Robert E. Tehan. The campaign will be conducted by the Jackson Day Dinner Committee of 1946.

We are honored this year by having as guest speaker at the Jackson Day dinner the Honorable JOHN MCCORMACK, majority leader of the House of Representatives. You will know his long record as a real, fighting Democrat.

The dinner will be held Saturday, June 15, at the Pfister Hotel in Milwaukee. As is the custom, a complimentary ticket will be given to each person who contributes more than \$25.

Please give us your assistance in this critical period by sending in your contribution immediately.

Sincerely yours,

CHARLES P. GREENE,
Chairman.

The OPA and the Building Trade

EXTENSION OF REMARKS OF

HON. CARL T. DURHAM

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. DURHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

BURLINGTON, N. C., March 27, 1946.

Hon. CARL DURHAM,

House of Representatives,

Washington, D. C.

DEAR MR. DURHAM: Two days ago the CPA issued an order which means the virtual cessation of commercial building until a large number of GI housing units have been completed. Someone in the Administration has pulled a boner which will have serious repercussions unless the matter is rectified immediately. I should like to discuss several phases in the following paragraphs to elucidate this statement.

The real reason for the shortage of building materials lies with the maladjustment of OPA Administration. Having recently done some building I know the true facts about the matter. Suppliers cannot sell their products for enough to pay costs of production because the Government is forcing wages up and OPA is hold prices down. The saw mill cannot sell rough lumber at OPA prices and receive enough remuneration to pay wages. Every stick of lumber available is obtainable only at black-market prices. You either pay and keep your mouth

shut or you don't build. I don't blame the miller; he can't operate at a loss. Most of them simply don't cut any timber. The same situation exists with other building materials.

The majority of GI's do not want to build homes at this time. Any house built at present must necessarily be a makeshift affair and the greater number of us had rather wait until we can build decent homes. There will be a great waste if this thing is forced now.

A great wrong will be visited upon those businessmen whose plans for expansion include new building. To halt business expansion now will only lead to curtailment of production and reconversion. It will create an artificial scarcity of consumer goods and serve to increase the inflationary process.

It has to cause the preservation of the large reserves of money now extant and inflation is the only end to such a process. In this community alone there are a number of businessmen who will be ruined if their present plans are to be halted by CPA's scheme. I happen to be included in that number.

Enclosed is a clipping from today's News and Observer. It states that a large number of returning veterans are now unemployed and that the number is increasing every day. It states further that the potential labor force in this State is 250,000 greater than at any time in our history. Industry must be allowed to expand in order to absorb this labor. How are veterans to pay for these homes which the Government so magnanimously donates unless they are provided with jobs which are not available at present? How are we who plan to go into business to survive when the administration comes forth with a new regulation every few days which changes the entire economic system? Veterans need employment before they need homes and only expansion of industry can support them.

The present plans of the administration seemed to be aimed at one thing: Complete control and domination of industry by the Government. Not a veteran in this country fired a shot in order to promote such a scheme; on the contrary, the reverse is true. You simply cannot have a capitalistic economy with the present controls imposed upon industry. This thing must be brought to a screaming halt and the time is now!

In the past I have always tried to support the administration in its efforts. I have even expressed my feelings to you in this regard, but things have now passed the realm of reason. I know that my arguments are based upon sound economic reasoning, or, if not, my years at Chapel Hill were wasted and the school of economics there is a dismal failure.

The OPA has served its purpose and should be dispensed with. Government should step out of business before the entire economic system is thrown into a state of chaos, for the controls are only serving to make the unscrupulous wealthy and the poor, the honest, and the small businessman more destitute. We will all be driven to the black market unless someone begins to use some common sense in Washington. I hope you are willing and able to do your part to put these things right.

At present I have all the savings I accumulated during 4 years of service at sea in a concrete business, plus all I have been able to borrow, and face utter ruin if nothing is done to stop this foolishness. The restoration of competition and the profit incentive will do far more than all the Government restrictions that all the brains in Washington are able to devise to speed reconversion and normal business. To give veterans' priorities on materials will be admirable, but to restrict industrial expansion can but lead to disaster.

In conclusion I state that I hope you will investigate this matter and do all in your power to assure the proper measures for the benefit of all concerned.

Yours truly,

W. R. TEAGUE.

The American Legion Appoints Committee To Consider Farm-Credit Needs of Veterans

EXTENSION OF REMARKS OF

HON. BROOKS HAYS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. HAYS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excellent editorial from the Arkansas Legionnaire, of April 11, 1946, with reference to farm-credit needs of veterans:

THE LEGION AND THE FARM BOY

When the new national agriculture committee of the American Legion meets in Washington, April 16 and 17 to study the agricultural credit needs of the farm-boy veteran, a long-needed step will have been taken to advance and safeguard the interests of veterans who follow, or would choose, agriculture as a way of life—and not merely to eke out a living, or to exploit the land through commercial or nonresident farming.

The Legion has a vital stake in agriculture because more than 2,000,000 left the farm or agricultural pursuits to take their place in the military or naval forces of the country. Recent surveys show that a very large percentage of these boys are not returning to the farm.

Many factors enter into this, but in our opinion the main one is the lack of satisfactory and sufficient credit to meet the requirements of establishing a farm home under conditions that would make such life attractive, or even bearable.

Commander Stelle has chosen men well qualified by experience and training to serve on this committee. These men will prepare for the Legion an agricultural program which, after due consideration, will become the Legion policy of the country.

The committee members are: Charles F. "Farmer" Brown, Springfield, Mo.; R. W. Hudgens, Greenville, S. C.; Dr. Harry Parker, Warrensburg, Mo.; Robert D. Morrow, Jackson, Miss.; Ralph W. Mitchell, Marysville, Calif.; A. A. Yardley, Dublin, Tex.; William W. Tanner, Union City, Tenn.

Arkansas was one of the first departments to advocate a national veterans' program in agriculture, but it is hoped that all Legion departments will lend their efforts to the new committee in accomplishing its purposes.

To the committee we would say that the Legion-sponsored veterans' agriculture program will not be worth a tinker's dam unless it is so sound and solid that the rights of veterans in agriculture will be safeguarded and placed beyond the whims of politicians, or the partisan fights of agricultural pressure groups.

We do not believe the veterans' agricultural program should be fixed or influenced by market speculators, or processor groups, or by alleged experts in so-called bureaucratic offices in Washington. We think whoever has a controlling voice in agriculture for veterans (or for anybody else) ought to know something about dirt farming, such as when he

plowed all day with blisters on his heels or elsewhere on his anatomy.

In the first place, the Legion believes veterans have as much right to agricultural credit at low interest rates and liberal repayment terms, with any needed supervision and guidance to enable them to make a living, pay out their property, and become independent citizens, as banks, railroads, industry, industrial farm operators, and others who now are eligible to borrow from the RFC, the Federal Reserve banks, and other Federal or federally supervised lending agencies.

In other words, we believe the Government must provide means and methods of rehabilitating our farm veterans as "moral risks," rather than using the cold measuring stick of "bankable risk."

It must be understood by all that there is necessity for these two forms of risks. Those who have some assets can meet the requirements of State and national banks, the Federal land bank, Federal Housing Administration, and other lending agencies, which usually call for a certain percentage to be advanced.

Most veterans had little opportunity to save money while in service and few will have any money for a down payment on a farm, livestock, machinery, furniture, and other necessary outlays incident to establishing a farm home.

This takes them definitely out of the usual credit, or bankable-risk class. The only way veterans will return to the farm or establish themselves on farms is for the Government to provide a lending plan on a moral credit basis, through an agency or agencies of the Department of Agriculture.

In advocating such a plan, the Legion is not asking for charity when it asks the Government to provide suitable credit for worthy war veterans who, in fact, are displaced persons and many of whom never will be able to find their way back into the community life and self-supporting, self-respecting citizenship of our country, if left to fend for themselves in the highly competitive bankable-risk-farming industry.

The Legion recognizes and commends farm organizations, such as the Grange, Farm Bureau Federation, Farmers Union, and others, for what they have done and are doing for agriculture. Many of our members are members of those organizations. We hope the individuals and the organizations will join in this effort to see that the American farm boys who left the farm to defend this country, get their chance to return to their place among the solid citizens of a great country.

Peacetime Conscription Abhorrent to the American Way of Life

EXTENSION OF REMARKS OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. HAVENNER. Mr. Speaker, the fundamental question involved in the consideration of the legislation now before us—the bill to extend selective service—is whether the United States of America should, for the first time in its history, adopt the policy of military conscription in peacetime.

Of course, I realize that the military philosophers will immediately respond that peace has not yet been achieved, that there will be no peace until our com-

mitments to our allies have been fulfilled in every part of the world, and that the only way these commitments can be fulfilled is by conscription of American manpower.

Mr. Speaker, if these contentions are true, we must look forward to repeated extensions of the draft in the future, to innumerable reiterations of the argument that the world is not at peace, to indefinite postponement of the day when the hateful institution of peacetime conscription can be abolished.

Mr. Speaker, in 1940 I voted for the Selective Service Act as a measure for the national defense. I did so because I was profoundly convinced that this country was in imminent danger of attack by the Axis dictators. The tragic events of the following year proved that this apprehension was well founded.

In explanation of my vote at that time I said: "Throughout my thinking life I have feared and distrusted the intrusion of military instruction into the fabric of democratic society, because it has seemed to me that the two things were fundamentally incompatible and that if they were forced to endure side by side the military influence might destroy the processes of democracy. I do not intend now to abandon the idealism of my earlier life save only that part which stark realism in this bloodshot world has convinced me is temporarily untenable. It is precisely because I hold the freedom of the American way of life so dear that I am now persuaded to relinquish for awhile my objections to compulsory military service in America."

Mr. Speaker, I am convinced that the time has arrived when the American Nation is no longer in danger of attack by any foreign power. I believe, therefore, that this is the appropriate time to return to our traditional American policy of opposition to peacetime conscription.

This world has entered upon a new and awe-inspiring era of scientific progress. Certainly the invention of the atomic bomb will transform the future technique of warfare, if wars should occur in the future. The old military concepts of vast aggregations of manpower designed to overcome a foe by the sheer power of overwhelming numerical superiority, are no longer important. Future wars, if wars there must be, which God forbid, will be decided by the use of scientific weapons whose destructive power would be so terrible that I entertain the hope that no civilized nation will ever attempt to employ them. Even in the frightful war which has just been victoriously concluded, the result was not due to the numerical superiority of our armed forces. It was due, in large part, to the fact that American civilization was able to produce the implements and munitions of modern warfare in far greater volume than all of the rest of the nations of the world combined could do. So there is no longer any necessity to maintain huge establishments of men trained in methods of making war which are already obsolete.

I repeat, Mr. Speaker, that the fundamental issue now before us is whether we shall now adopt the policy of peacetime conscription, or whether we shall return to the traditional American policy

which holds that the institution of conscription is abhorrent to the American way of life.

The military philosophy will always contend that we should have conscription of manpower, whether war is threatened or not. Only a little more than a year ago, while the war was still in progress, our military advisers insisted that conscription of American labor was necessary for the success of our armed forces. The other body of Congress did not yield to the insistent arguments by military leaders that such a policy was essential. Subsequent events have proved the wisdom of that decision.

Now the argument is that general conscription of American manpower is needed in order to guard against the possibility of future wars. Such an argument would be applicable at any time in our national existence. It is the same argument which has kept other nations armed to the teeth in the past and which has led to all the wars in history. Military philosophy has no regard for the traditional ideals of the American way of life. Indeed it would destroy the basis which has made America what it is, and would establish here a military system similar to those systems which have always existed in other parts of the world, and which have made peace an impossibility in the past.

Mr. Speaker, the House of Representatives, by adoption of various amendments, has already made this bill incapable of accomplishing the results which our military leaders have been demanding. For a time the bill would produce no manpower at all and, in its present form, if enforced in the future, would not yield the numbers of men which our military leaders have asked. However, even in its present emasculated condition, it would establish the principle of peacetime conscription in America and would serve as a basis for future amendments designed to conscript a greater number of youth of America for enforced military service.

I am as anxious as any other American to win an enduring and just world-wide peace. It is my intention to support the bill now awaiting consideration by Congress which would raise the pay of our soldiers sufficiently to enable them to support themselves and their families in accordance with the American standard of living. I am confident that enactment of this law will make it certain that the Army can procure all the men needed by voluntary enlistments.

For the reasons which I have stated, Mr. Speaker, I shall vote against this bill.

Letter to Congressman From Pastor on Four Points

EXTENSION OF REMARKS

OF

HON. CLYDE DOYLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. DOYLE. Mr. Speaker, following is a letter which I deem most constructive

and clear. With permission of this able leader in the religious world in the Eighteenth Congressional District of California, I include it for the reading of my colleagues in Congress and any others:

COMMUNITY METHODIST CHURCH,
Lakewood City, Calif., March 22, 1946.

DEAR MR. DOYLE: Drastic steps must be taken to strengthen the United Nations Organization and remove the threat of atomic bombs. The initiative rests with our Nation.

Specifically, I feel sure the following should be vigorously undertaken immediately:

1. United States Government use its influence to end the veto in UNO Security Council. This means renouncing its use and calling others to do so.

2. United States agree to compulsory arbitration of disputes through UNO channels. This means no secret deals, no unilateral decisions, no Big Three domination.

3. Place atomic power under civilian control in the United States and renounce use of atomic bombs. This means stop making bombs.

4. Free exchange of scientific information on atomic power.

Then the really important step might be near—constitutional world government. Is anything less going to be enough?

Sincerely,

JOHN ATWOOD.

Franklin Delano Roosevelt

EXTENSION OF REMARKS

OF

HON. THAD F. WASIELEWSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1946

Mr. WASIELEWSKI. Mr. Speaker, last week the House paid tribute to our great leader, the late President of the United States, Franklin Delano Roosevelt. On that occasion I did not participate in the program; however, I do feel that the editorial written by the Honorable Charles E. Broughton, which appeared in the Sheboygan Press on April 12, 1946, well expressed the thoughts that passed through our minds on that day, and expresses them better than I might have been able to. Under unanimous consent, I include the editorial from the Sheboygan Press of April 12, 1946, entitled "He Died for Humanity," as part of my remarks:

HE DIED FOR HUMANITY

One year ago today in midst of a world-wide war, President Franklin D. Roosevelt passed to his reward at the little White House in Warm Springs, Ga.

It was tragic news because it came like a thunderbolt out of a clear sky. It was hard to credit the flash that came over the air followed by a similar story on teletypes in newsrooms. Telephone communications were disrupted by calls to verify the flash. Then it dawned upon the United States of America, and later the world, that the great champion of freedom, our "four freedoms," had died while making preparations to attend the Conference in San Francisco.

Perhaps it would be well to recount the first message that was sent over CBS with John Daly interrupting a serial drama, Wilderness Road, to announce the sudden death of Franklin Delano Roosevelt. In a short space of time the Associated Press and the United Press confirmed the flash and from that time all through the night radio com-

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Legislative Reports and Service Section
(For Department staff only)

Issued May 13, 1946
For actions of May 10, 1946
79th-2nd, No. 88

CONTENTS

Adjournment.....	7,12	Income, farm.....	19	Research.....	34
Appropriations.....	8,21	Labor.....	2,4	Roads.....	1,9
Cloth.....	18	Lands, grazing.....	8	Selective service.....	11
Congressional reorganization.....	3	Lands, public.....	33	Small business.....	26
Cotton.....	24	Livestock and meat.....	20	Social security.....	29
Education.....	1	Loans, foreign.....	1	Subsidies.....	9,15,23
Electrification.....	17,21	Minerals.....	13	Sugar.....	14
Fisheries.....	30	Personnel.....	6,32	Taxation.....	19
Food supply.....	5,20	Postage rates.....	28	Trade, foreign.....	10
Forestry.....	9	Price control.....	14,22	Transportation.....	35
Grains.....	20	Prices.....	23	Veterans.....	21
Health.....	27	Property, surplus.....	4	Wheat.....	19
Housing.....	9,15,21,25	Relief, foreign.....	16,20	Wildlife.....	31

HIGHLIGHTS: Senate passed British-loan bill. Senate began debate on labor-disputes bill. Senate agreed to special committee with power to report LaFollette-Monroney Committee proposals regarding Congressional reorganization. Sen. Wiley said coal strike endangers food canning by causing metal-can shortage. House debated Interior appropriation bill; rejected amendment to restore Grazing service to Budget estimate. House received conference report on Patman housing bill, authorizes \$400,000,000 for subsidies and \$15,000,000 for access roads to forests. House passed bill to continue Export Control Act for 1 year; ready for President. House debated stop-gap selective-service bill.

SENATE

1. BRITISH LOAN. Passed, 46-34, with amendments S. J. Res. 138, to authorize the loan to Britain (pp. 4881-902). Rejected the following amendments: By Sen. Ellender, La., to require Britain to spend 90% of the loan in the U. S.; by a 29-52 vote (pp. 4882-98). By Sen. Johnson, Colo., to finance \$2,750,000,000 of loan by Treasury bonds and \$1,000,000,000 through RFC; by a 26-55 vote (pp. 4998-9). By Sen. Langer, N. Dak., to provide \$3,750,000,000 for public roads (p. 4899). By Sen. Langer, to authorize funds for Federal aid to education (pp. 4899-901).
2. LABOR DISPUTES. Began debate on H. R. 4908, to provide additional facilities for mediation of labor disputes, by a 66-9 vote (pp. 4902-5; 4907-17).
3. CONGRESSIONAL REORGANIZATION. Agreed as reported to S. Res. 260, to provide for a special committee to consider and report legislation to carry out the LaFollette-Monroney Committee recommendations (pp. 4905-6).
4. SURPLUS PROPERTY. Sen. Morse, Oreg., asked for an investigation of surplus-property disposal under the War Assets Administration (pp. 4917-8).
5. LABOR DISPUTES; CANNING INDUSTRY. Sen. Wiley, Wis., stated that the coal strike is endangering the preservation of farm crops because it causes insufficient metal cans (pp. 4881-2).
6. EMPLOYEE DETAILS. The Public Lands and Surveys Committee reported the details to the Committee of two Forest Service employees (p. 4880).
7. RECESSED until Mon., May 13 (p. 4919).

HOUSE

3. INTERIOR APPROPRIATION BILL. Continued debate on this bill, H. R. 6335 (pp. 4927-70). Rejected an amendment by Rep. Robinson of Utah to restore the Budget estimate for Grazing Service (pp. 4933-40). There was also discussion of soil conservation, electrification, wildlife conservation, reclamation, etc.
9. HOUSING. Received the conference report on H. R. 4761, the Patman housing bill (pp. 4923-6). The conference report fixes the termination date at Dec. 31, 1947, authorizes \$400,000,000 for subsidies, provides that \$15,000,000 authorized for premium payments may be made available for construction of access roads to standing timber on Government lands, and provides for market guarantees on new-type housing.
10. EXPORT CONTROL. Passed without amendment S. 1980, to continue the Export Control Act until June 30, 1947, which was reported earlier in the day by the Military Affairs Committee (H. Rept. 2003) (pp. 4977, 4972). This bill will now be sent to the President.
11. SELECTIVE SERVICE. Discussed S. J. Res. 159, to continue the Selective Training and Service Act until July 1, 1946, which had been reported by the Military Affairs Committee earlier in the day without amendment (H. Rept. 1995) (pp. 4977, 4921-3).
12. ADJOURNED until Mon., May 13 (p. 4977). Legislative program as announced by the majority leader: Mon., D. C. bills, Interior appropriation bill, selective-service extension; / Tues. Gwynne bill on statute of limitations; Wed., Coast Guard appropriation; Thurs., legislative appropriation bill; conference reports when opportunity presents itself (p. 4934).

BILL INTRODUCED

13. MINERAL LANDS. H.R. 6410, by Rep. Stigler, Okla., authorizing the Secretary of Agriculture to lease the interest of the U.S. in minerals in or under certain real property located in Muskogee County, Okla. To Agriculture Committee. (p. 4978.)

ITEMS IN APPENDIX

14. SUGAR; PRICE CONTROL. Rep. Plumley, Vt., inserted a Bridgeport (Conn.) Post editorial criticizing price ceilings on maple sugar and sirup (p. A2741).
15. HOUSING. Speech in the House by Rep. Barden, N.C., opposing subsidies on housing (pp. A2741-2).
16. FOREIGN RELIEF. Rep. Lynch, N.Y., inserted Cardinal Spellman's letter appealing for aid for the starving people of Europe (pp. A2744-5).
17. ELECTRIFICATION. Extension of remarks of Rep. Earthman, Tenn., commending the accomplishments of the TVA and REA in providing electric power in the Tennessee Valley (p. A2746).
18. CLOTHING. Rep. Thom, Ohio, inserted a N.Y. clothing firm's statement comparing the U.S. clothing shortage with the more severe shortage in England (p. A2748).
19. FARM INCOME; TAXATION. Extension of remarks of Rep. Robertson, N.Dak., criticizing the proposed regulation to tax wheat-certificate income as 1947 farm

Mr. McCORMACK. The gentleman can reserve the right to object.

Mr. HOFFMAN. I thought maybe the gentleman would yield to me.

Mr. McCORMACK. Certainly I will yield, if I have the right to do so.

Mr. HOFFMAN. If the other body should pass the Hobbs bill and it should be put into effect, would not that dispose of Lewis' request for the 10-cent royalty? Would it not make that demand illegal?

Mr. McCORMACK. I am unable to answer that question.

Mr. FORAND. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order has been demanded.

Is there objection to the request of the gentleman from Massachusetts?

Mr. ROBSION of Kentucky. Reserving the right to object, Mr. Speaker—

The SPEAKER. The gentleman from Rhode Island has demanded the regular order.

Mr. FORAND. I will withhold that for a moment, Mr. Speaker.

Mr. ROBSION of Kentucky. Reserving the right to object, Mr. Speaker, we are concerned about the draft matter and also about this coal-strike matter. I regret that they are tied together. May I ask the gentleman, just for my own information and for the benefit of the House, under the General War Powers Act, does not the President have the power to seize any plant in this country?

Mr. McCORMACK. I am unable to answer that question. To me, the primary question is the extension of the Selective Service Act, and, as far as I am concerned, other questions that are involved therein are incidental thereto. My request asks for nothing except to obviate the necessity of going to the Rules Committee today. Everything else is the same as if a rule were reported out.

Mr. ROBSION of Kentucky. But the President undoubtedly has the power in the General War Powers Act to seize any plant in this country.

Mr. McCORMACK. I have no knowledge of that, and I cannot confirm or contradict it.

Mr. ROBSION of Kentucky. He has the power under the Second War Powers Act.

Mr. McCORMACK. I am not challenging the statement of the gentleman.

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object, I think we are laboring under a little misapprehension about there being two questions involved. I do not think the question of seizure is affected by this resolution to extend the life of the Draft Act. I call the attention of the House to the fact that the War Labor Disputes Act, in which the power to seize exists, has a separate termination date. I want to read it for the information of the House. It is true that the War Labor Disputes Act has a section which amends one section of the Draft Act giving this power of seizure. But in the War Labor Disputes Act there is a separate termination clause, which reads as follows:

Except as to offenses committed prior to such date, the provisions of this act and the amendments made by this act shall cease to

be effective at the end of 6 months following the termination of hostilities in the present war, as proclaimed by the President or upon the date * * * of the passage of a concurrent resolution of the two Houses.

It seems to me that removes this whole question about whether this resolution extending the Draft Act has anything to do with the seizure of coal mines.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, will the gentleman yield for a question?

Then the gentleman's opinion is, if there is a desire to seize the mines, the power does exist whether or not the Draft Act expires?

Mr. SMITH of Virginia. Absolutely. I do not think it is affected one way or another.

Mr. BRADLEY of Pennsylvania. In that event, there is no need for the passage of this resolution so far as that purpose is concerned.

Mr. SMITH of Virginia. That is another question.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

The gentleman does not contend that the unemployment rights of veterans are not involved and that if this is not passed they will lapse automatically and that the veterans will have no unemployment rights under the law?

Mr. SMITH of Virginia. I did not intend to express any view in opposition to this resolution. On the contrary I favor the adoption of the resolution.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, reserving the right to object, might I ask the gentleman from Massachusetts, the distinguished majority leader, in connection with his request for 2 hours general debate, after that will the resolution be subject to debate under the 5-minute rule?

Mr. McCORMACK. Yes.

Mr. BRADLEY of Pennsylvania. And it will be subject to amendment?

Mr. McCORMACK. Exactly.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING THE NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House in conference on the bill H. R. 4761, entitled "An act to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes," may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing

purposes at fair and reasonable prices, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Veterans' Emergency Housing Act of 1946'.

"Sec. 1. (a) The long-term housing shortage and the war have combined to create an unprecedented emergency shortage of housing, particularly for veterans of World War II and their families. This requires during the next two years a house-construction program larger than ever before. The first step toward such a program is to overcome the serious shortages and bottlenecks with respect to building materials, to expedite the production of such materials, to allocate them for house construction and other essential purposes, and to accelerate the production of houses with preferences for veterans of World War II and at sales prices or rentals within their means. To carry out this program, it is necessary to invest a housing expediter with adequate powers including the power to issue policy directives. Accomplishment of these objectives will assist returning veterans to acquire housing at fair prices, stimulate industry and employment, prevent a post-emergency collapse of values in the housing field, and promote a swift and orderly transition to a peacetime economy.

"(b) The provisions of this Act, and all regulations and orders issued thereunder, shall terminate on December 31, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the provisions of the Act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

"(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"Sec. 2. (a) There is hereby created an office to be known as Housing Expediter; and the President is authorized, by and with the advice and consent of the Senate, to appoint an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as an independent officer of the Government. In the event of an appointment of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his appointment hereunder. If, however, such Housing Expediter is appointed within an existing agency of the Government, he shall receive compensation in compliance with the laws and regulations applicable to officers within such agency; if the Housing Expediter is appointed as an independent officer of the Government, he shall receive compensation at the rate of \$12,000 per annum.

"(b) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

"(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

"(2) issue such orders, regulations, or directives to other executive agencies (including the Office of Economic Stabilization and the Office of Price Administration) as may be necessary to provide for the exercise of their powers in a manner required by or con-

sistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

"(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

"(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

"(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

"(d) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Housing Expediter to carry out the provisions of this Act and such plans and programs as such Housing Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Housing Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

"(2) The powers so transferred shall continue during the period in which this Act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944.

"SEC. 3. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this Act have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance with the provisions of this Act. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this Act. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

"(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this Act shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into con-

sideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this Act shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

"(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this Act.

"(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of this Act and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. Any regulation or order under this Act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this Act. The Expediter shall have power to forbid the exportation to any foreign country of any lumber or other materials which are needed for the housing program.

"SEC. 4. (a) Whenever in the judgment of the Expediter there is a shortage in the supply of any materials or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, such materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this Act.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) satisfying the housing requirements of veterans of World War II and their immediate families, (2) the need for the construction and repair of essential farm buildings, and (3) the general need for housing accommodations for sale or rent at moderate prices. In order to assure preference or priority of opportunity to such veterans or their families, the Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families: *Provided*, That the Expediter by appropriate regulation may allow for hardship cases,

"(c) The provisions of this section shall not be construed as in any way affecting the power of the President to assign priorities or to allocate any materials or facilities under the provisions of subsection (a) of section 2 of the Act of June 28, 1940, entitled 'An Act to expedite national defense, and for other purposes' (50 U. S. C. 633), as amended.

"SEC. 5. It shall be unlawful for any person to effect, either as principal or broker, a sale of any housing accommodations at a price in excess of the maximum sales price applicable to such sale under the provisions of this Act, or to solicit or attempt, offer, or agree to make any such sale. It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this Act. Notwithstanding any termination of this Act as contemplated in section 1 (b) hereinabove, the provisions of this Act, and of all regulations and orders issued thereunder, shall be treated as remaining in force, as to rights or liabilities incurred or offenses committed prior to such termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"SEC. 6. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this Act may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with law, is unsupported by competent, material, and substantial evidence, or is arbitrary or capricious.

"SEC. 7. (a) Whenever in the judgment of the Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 5 of this act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Expediter that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order may be granted and if granted shall be granted without bond.

"(b) Any person who willfully violates any provision of section 5 of this act, and any person who knowingly makes any statement false in any material respect in any description or statement required to be filed under section 3, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than 1 year, or to both such fine and imprisonment. Whenever the Expediter has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 5 of this act, and, concurrently with State and Territorial courts, of all other proceedings under this section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and ex-

pedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Expediter or the United States Government in any proceeding under this act.

"(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within one year from the date of the occurrence of the violation, bring an action for the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and costs as determined by the court.

"Sec. 8. As used in this Act—

"(a) The term 'maximum sales price' means the maximum price for which any housing accommodations the construction of which is completed after the effective date of this Act may be sold and includes the total consideration which may be paid by the buyer for such housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of such housing accommodations customarily assume in the community where such accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request.

"(b) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

"(c) The term 'district court' means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States.

"(d) The term 'veterans of World War II' shall include persons who have served in the active military or naval forces of the United States on or after September 16, 1940, and prior to the termination of hostilities in World War II, and who have been discharged or released therefrom under conditions other than dishonorable, and persons serving in the military or naval forces of the United States requiring housing accommodations for their dependent families.

"Sec. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act: *Provided, however*, That so much of the First Deficiency Appropriation Act, 1946 (Public Law Numbered 269, Seventy-ninth Congress, approved December 28, 1945), as reads '*Provided*, That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of \$500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945', shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

"Sec. 10. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"(a) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for

the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed \$3,800,000,000: *Provided further*, That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: *And provided further*, That the Administrator shall, in his direction, have power to require the availability for rental purposes of properties covered by mortgages insured under this title, in such instances and for such periods of time as he may prescribe.

"(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 per centum of the Administrator's estimate of the necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"(A) \$5,400 if such dwelling is designed for a single-family residence, or

"(B) \$7,500 if such dwelling is designed for a two-family residence, or

"(C) \$9,500 if such dwelling is designed for a three-family residence, or

"(D) \$12,000 if such dwelling is designed for a four-family residence;

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liveability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"(A) \$8,100 if such dwelling is designed for a single-family residence, or

"(B) \$12,500 if such dwelling is designed for a two-family residence, or

"(C) \$15,750 if such dwelling is designed for a three-family residence, or

"(D) \$18,000 if such dwelling is designed for a four-family residence."

"(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 per centum per annum on the amount of the principal obligation outstanding at any time."

"(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence thereof the words 'shortage of housing', and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: 'The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title.'

"(e) Section 604 (b) of the National Housing Act, as amended, is hereby amended by striking out the words 'appraised value of such property as determined by the Administrator' and inserting in lieu thereof the following: 'Administrator's estimate of the necessary current cost'.

"(f) Section 608 (b) of the National Housing Act, as amended, is hereby amended:

"(1) by amending paragraph numbered (2) thereof to read as follows:

"(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator."

"(2) by amending paragraph (3) (C) to read as follows:

"(C) not to exceed \$1,500 per room for such part of such property or project as may be attributable to dwelling use: *Provided*, That the Administrator may increase this amount to \$1,800 where in his discretion cost levels so require; and

"(3) by striking out 'reasonable replacement cost' and inserting in lieu thereof 'necessary current cost'.

"(g) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause (C), the following: 'and any mortgage insurance premiums paid after default'.

"Sec. 11. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended (50 U. S. C. 902 (e)), shall not apply to subsidies, which the Reconstruction Finance Corporation may make hereunder, in the form of premium payments used only to the extent that the Housing Expediter (after considering all available means) finds them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being: *Provided*, That not more than \$400,000,000 shall be used for such premium payments.

"(b) The following standards shall be applied by the Housing Expediter to premium payments:

"(1) Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved), where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

"(2) The value of the units of production to which premium payments are applied (A) in the case of any new producer (except of new type materials) shall not exceed 50 per centum of the value at the producers' level of the output of such producer, and (B) in the aggregate shall not exceed 30 per centum of the value at the producers' level of all materials needed for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being. The average rate of premium payments shall not exceed 25 per centum of the value of the units of production to which they are applied.

"(3) Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

"(4) The stimulation of necessary additional production by premium payments shall place emphasis upon avoiding either economic dislocations or adverse effects upon established business.

"(5) New type materials to which premium payments are applied shall be tested for sound quality.

"(c) Not more than \$15,000,000 of the funds made available under this section may be used to the extent that other funds are unavailable for the construction of access roads to standing timber on lands owned by or under the jurisdiction of an agency of Government.

"Sec. 12. (a) The powers vested in the Reconstruction Finance Corporation pursuant to clause (a) of section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3)), may be used to underwrite or guarantee markets for new type building materials and prefabricated houses, but only to the extent that the Housing Expediter finds this necessary to assure a sufficient supply for the veterans' emergency housing program: *Provided*, That the number of prefabricated houses covered by outstanding underwriting or guaranty (including such houses as may be held by the Housing Expediter) shall at no time during the program exceed 200,000.

"(b) The following standards shall be applied by the Housing Expediter to such underwriting or guaranty:

"(1) To avoid impairment of established enterprises, new type materials and prefabricated houses shall be encouraged only to supplement such expanded production of conventional type materials and houses (with access to available materials) as can be achieved with sufficient rapidity and economy.

"(2) There shall be reasonable prospect of either (A) full return to the Government of any funds involved in such underwriting or guaranty, or (B) net cost to the Government substantially lower than under any other available method of achieving the necessary expansion of production. Toward this end, the underwriting or guaranty of such materials or houses shall not be for more than 90 per centum of the producers' standard delivery price. The Housing Expediter shall maintain constant review of experience toward the objective that the total net costs to the Government shall in no event exceed 5 per centum of the total amount of underwriting or guaranty undertaken.

"(3) There shall be clear evidence that the new type materials or prefabricated houses require underwriting or guaranty only temporarily until they attain general market acceptability.

"(4) Emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business.

"(5) New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

"(6) Any underwriting or guaranty shall require adequate showing by the producer that he has sufficient working capital and experience, and that he can achieve the desired production on time under conditions satisfactory to the Housing Expediter.

"Sec. 13. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WM. B. BARRY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

ALBEN W. BARKLEY,
ABE MURDOCK,
GLEN TAYLOR,
HUGH B. MITCHELL,
ROBERT A. TAFT,
C. D. BUCK,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill strikes out all the House bill after the enacting clause. Under the conference agreement the House recedes from its disagreement to the amendment of the Senate with an amendment, which is a substitute for the language of both the House bill and the Senate amendment. The substantial differences between the House bill and the Senate amendment and the proposed conference substitute are as follows:

STATEMENT OF POLICY

The conference agreement accepted the amendment of the Senate to the statement of policy with a clarifying change, to make the statement more descriptive of the purposes of the conference agreement.

TERMINATION DATE

The bill as it passed the House fixed the termination date as June 30, 1947. The Senate amendment fixed the termination date as December 31, 1947. The conference agreement accepts the Senate provision.

MODIFICATION OF EXPEDITER'S POWERS

The bill as it passed the House contained a subsection specifically giving the Expediter power to make regulations to prevent circumvention or evasion of the proposed new legislation and to regulate or prohibit speculative or manipulative practices. The conference agreement eliminates this subsection.

VETERANS' PREFERENCE

The Senate amendment contained a provision that in order to assure preference or priority of opportunity to World War II veterans or their families the Expediter shall require that no housing assisted by allocations or priorities under the proposed new legislation should be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families. Provision was made for allowing for non-veteran-hardship cases. The conference agreement contains this provision.

TREBLE DAMAGES AND SUITS BY THE UNITED STATES

The Senate amendment eliminated the provision of the bill as it passed the House permitting actions for treble damages in the case of violation of maximum selling price regulations or orders. The Senate amendment also eliminated the provision of the bill as it passed the House which authorized the Expediter to bring an action on behalf of the United States within one year from the date of the violation if the buyer fails to bring an action within 60 days from such date. The conference agreement accepts the Senate changes.

ADJUSTMENT OF MAXIMUM MORTGAGE AMOUNTS

The conference agreement retains provisions in the Senate amendment adjusting the maximum mortgage amounts eligible for insurance under title VI of the National Housing Act, as amended, for two-, three-, and four-family residences so as to make these amounts more consistent with the increased amount specified by the House for single-family residences.

The House bill increased the top limit on mortgages per room on rental housing under title VI of the National Housing Act from \$1,350 to \$1,500. The Senate amendment increased this amount to \$1,600. The confer-

ence agreement retains the House limit of \$1,500 with the provision that the Administrator may increase this amount to \$1,800 where in his discretion cost levels so require.

PREMIUM PAYMENTS

The Senate amendment authorized premium payments by the Reconstruction Finance Corporation not to exceed \$600,000,000, to the extent that the Housing Expediter might find them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being, and set up standards to govern the administration of these premium payments. The conference agreement accepts the Senate provisions for premium payments but in line with instructions of the House to its managers the amount of the authorized premium payments has been reduced from \$600,000,000 to \$400,000,000.

The Senate amendment also provided that not more than \$25,000,000 of the amount authorized for premium payments could be made available for construction of access roads to standing timber on lands owned by or under the jurisdiction of an agency of Government. The conference agreement reduces the amount from \$25,000,000 to \$15,000,000.

MARKET GUARANTIES

The Senate amendment includes a provision for market guaranties of new-type materials and prefabricated houses, subject to certain standards, and subject to the limitation that the number of prefabricated houses covered by outstanding underwriting or guaranty shall at no time during the program exceed 200,000. The Senate amendment provided that the underwriting or guaranty of such materials or houses should not be for the full amount of the producer's standard delivery price. The conference agreement accepts the Senate provisions but specifically provides that such underwriting or guaranty shall not be for more than 90 per centum of the producer's standard delivery price.

TITLE

The Senate amendment to the title of the bill was retained as more descriptive of the purposes of this legislation.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WM. B. BARRY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

ADDITIONAL COPIES OF THE REPORT ON THE BILL (S. 7) TO IMPROVE THE ADMINISTRATION OF JUSTICE BY PRESCRIBING FAIR ADMINISTRATIVE PROCEDURE

Mr. BULWINKLE. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1997) a privileged resolution (H. Res. 613) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on the Judiciary of the House of Representatives 7,500 additional copies of House Report No. 1980, current session, accompanying the bill (S. 7) to improve the administration of justice by prescribing fair administrative procedure.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.

ploy of the company, the company may without further notice demand and reenter upon the property above described and take full and complete possession thereof, and remove the employee and the goods and effects of the employee therefrom forcibly, if necessary."

The lease also forbids the tenant even to invite a member of his family to come to see him without permission, although this of course cannot be enforced today. "The lessee shall not harbor upon nor permit the use or occupancy of the premises by any person or persons objectionable to the said lessor."

This clause was used as a club, especially against union organization. If the miners invited anyone suspected of union affiliation, they were immediately thrown off the premises as the lease states that "the lessor has the right to remove the lessee, his family, and any objectionable persons who may be at the time on the premises without any liability therefor."

The company store with all its vices still reigns supreme. At Black Mountain the commissary is excellent, with a good variety of foods, an important item since it determines the diet of the families. It is also exceptional in that it gives no credit. "This is a good thing for us when the men are working," said one miner, "because people waste their money if credit comes easy. The credit system gives the commissary a chance to cheat on the accounts. The crooked companies can put anything on the bill because so many of the miners can neither read nor write. Practically all the other commissaries except ours use script, which is illegal in Kentucky, but nobody pays any attention to that. The Harlan shops take script at a 20 percent reduction. In many towns the merchants won't accept it at all."

"But now that we are on strike," the miner continued, "it is hard on us not to be able to get credit at our commissary. Yesterday the local union divided up the last of its funds and we shall be cashing our war bonds until the international helps the local union. During the strike, lack of credit is especially tough on the many poor families with large numbers of children, who were never able to do better than just keep up with their expenses. There are, as well, over 20 families in this camp where the father had not been working because of sickness or disability. We have to chip in and help them all out as best we can."

Although the company stores now observe OPA prices, the miners assured me that before OPA most of the commissaries robbed the men and will rob them again as soon as OPA disappears. Before the union gave the miners a modicum of freedom, the big majority of them were in debt to the company store from the time they started to work until they died.

In this tragic situation of mass enslavement, the underlying poverty of this whole east Kentucky mountain area is involved. When coal was first discovered here about 60 or 70 years ago, the operators dealt with an agricultural people so isolated, poor, ignorant and unprotected that it was easy to subject them to wages as low as a dollar and a half a day and to a tyranny of which remnants still persist now that good roads and radios are a commonplace. The pressure of population—Leslie, Ky., has the highest birthrate in the whole country—kept feeding more than enough fresh victims into the maw of unsafe mines. Life was cheap. The company police beat up any union organizer who dared get off the train at Ashland. They resorted to such desperado methods as machine guns to keep out the UMW, because surrender to the union meant the end of their stranglehold on the cheap labor supply of the east Kentucky mountains.

But things are different now. Army training has broken the habits of life all

over the country, even in east Kentucky. The veterans are not going back to the mines. Nor are the mountain veterans willing to scratch away at their over-worked mountain farms, 38,000 of which in 1940 averaged an income of \$144 total production per year.

During the war 8,000 miners out of every 40,000 in the Appalachian area left the mines and have not returned. The veterans from the mines and the hills are largely going back into the Army, not because they like it but because they will not accept the old miserable lives they used to lead. "There is nothing to do in east Kentucky and too many people to do it," some of them put it. Yet there is not a mine in this region which is not suffering from labor shortage.

The poverty of this whole area has also set in motion a new stream of migratory agricultural workers. Last year 30,000 migrants left east Kentucky to work in the potato crops in Maine or in the Blue Grass section of the State. Some of them did not return. This year the migrants will be more numerous than ever. This is a recent development in east Kentucky and illustrates the way more and more agricultural areas that do not afford a subsistence basis are swelling the migratory agricultural stream all over our country. If the mining industry were safer, afforded more freedom and better wages, these mountain families could keep their farms and would continue to supplement their incomes with work at the mines. If the desertions continue, the future labor supply of this mining area will disappear. The whole mining industry in the Appalachian area is in danger of drifting into the desperate plight of the British mines, unless the local operators see the light and consent to progress not only in the wage scale but in the working and living conditions of the miners.

OPA and Maple Sugar

EXTENSION OF REMARKS OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1946

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks, I include an editorial from the Bridgeport (Conn.) Post entitled "OPA and Maple Sugar." This helps explain why pure Vermont maple sirup is not obtainable today:

OPA AND MAPLE SUGAR

We read in an OPA announcement the other day that some Vermont farmers a year ago had sold their maple sugar or maple sirup for more than OPA ceilings, but that a watchful eye was to be kept on them this year to see that this black-market practice was not followed.

That made us wonder a little bit. What is the Vermont farmer selling when he sells maple sugar or maple sirup? Really he is selling nothing else than his own initiative and labor.

And if we tell him that he must not sell his labor in the highest market, is not that a form of peonage? Labor orators for centuries have told us so. What is there about maple sugar or any other farm product that makes it public property when the OPA takes hold?

Most of the maple trees in this country are probably never tapped at all. It takes a great deal of courage, hardihood, and hard work to get out on those bitter winter mornings, tap the trees and collect the thin sap day after day until enough of it has been accumulated for a "boiling." Then it is still more work to

boil the sirup down to usable thickness and to make sugar out of it. We suppose that anybody who wants to make maple sugar may do so for there are plenty of trees and most of them are untapped.

It is all a question of long hours of labor, exposure to the elements, and patient work,—this business of collecting maple sap and boiling it down to sirup or sugar.

And then we say to the man who has made it and whose product has become valuable because the world needs it, "You are a black marketer. You are trying to get the highest price for your product."

And the OPA solemnly warns him, "if you were such a complete fool as to go out and make maple sugar on those freezing mornings when all of us Government pay-rollers were asleep in our warm beds, don't be a big enough dope to think that we will let you sell it for a rewarding price. Oh no! The public must be protected!"

What if the maple sugar maker simply refuses to sell it at these terms? Or keeps it and eats it himself? Who could blame him?

This whole OPA debate is shot through with fraud but the most arrant, hypocritical fraud is the pious chant that only the "selfish" interests are trying to maintain a free market and that only the "pure in heart and unselfish," namely the politicians, those who have lived at the public crib, are fighting to protect the people.

National Housing Act

SPEECH

OF

HON. GRAHAM A. BARDEN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1946

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. BARDEN].

(Mr. BARDEN asked and was given permission to revise and extend his remarks.)

Mr. BARDEN. Mr. Speaker, I do not propose to adopt or advocate an attitude of defeatism. I refuse to admit that our economy has broken down to the extent that we must now abandon our American way of life. I am not a subsidy man. I think we have brought about a great deal of confusion by the adoption of that policy in the past. I want to make this statement—that I have traveled down the road of nationalization just about as far as I propose to go. I want more of the people's government returned to the people and less given to administrators from here on out. Now, we propose to take a step towards nationalizing the homes of America. God forbid. The veterans do not want this. They will not give you their approval on it. You may rest assured of that. The veterans of America are sensible men. They are sensible citizens with a right to be heard. I am not so sure that they are going to appreciate the efforts of many gentlemen who would wave the flag and shout that they are doing something for the veteran when he himself well knows that it is not for him but for some prefabrication individual or somebody else who is far removed from the veteran.

They have seen the Government in the building business before, and they have seen the houses in virtually every com-

munity in this country built by the Government worth \$3,000 that cost the Government \$7,000 to \$10,000 to build. You are not fooling the veterans at all. I have talked to some of them. When I am told that the Housing Administrator's attorney says that no part of this money is to be used in the encouragement of the production of lumber or in the expense of labor, pray tell me where will it be used, and for what purpose? Down my way most of the homes are built of lumber, and labor and lumber constitute about 85 percent of the cost, or more than that. If no part of this is to be used in lumber and no part to be used in labor, then pray tell me where the benefit is coming.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. BARDEN. If the gentleman wants to answer that question briefly, I yield.

Mr. PATMAN. The answer is that it will be used, if necessary, for lumber, bricks, or anything else.

Mr. BARDEN. Why did the gentleman not deny the statement made by the gentleman from Michigan, then?

Mr. PATMAN. I did deny it. It can be used for any building material.

Mr. BARDEN. You answer this question. I ask you if Mr. Wilson Wyatt's attorney did not tell the conferees it would not be used for lumber or labor, as late as the day before yesterday?

Mr. PATMAN. Not to me. I never heard him say it. If he did, I would have disputed that it was intended.

Mr. BARDEN. You mean you would have disputed what the Administrator said he was going to do himself?

Mr. PATMAN. The Administrator did not say it. He is not going to say it. The law is plain. He can use that money for any building material.

Mr. BARDEN. The fact remains, and I now remind the gentleman from Texas, that the statement was made by the gentleman from Michigan [Mr. WOLCOTT] and up to now it has not been denied.

Mr. PATMAN. I denied it immediately after he got through and I deny it again.

Mr. BARDEN. You said he, the attorney, did not make the statement to you. That is no denial.

This identical question was before the House a little over 2 weeks ago. The Members of this House went on record on a roll-call vote and voted against this same subsidy by a vote of approximately two to one. It is inconceivable to me to think that men of convictions would in such a short space of time, on so little information, and less justification reverse themselves and approve it now. It is very distasteful to me to be called upon to participate in so many make-believe gestures. I know of no way that would be satisfactory to myself to handle the business of my constituency other than by doing so in a sincere and conscientious way.

We have the priority powers written into law. We have even the power and authority to use subsidies in existing law, but along with that power and authority goes the requirement that they must report their plan of subsidy to the House. This the Housing Administrator has refused to do, still refuses to do, and yet he expects this body to issue to him a

four to six hundred million dollar check with full authority to pay as he pleases, to whom he pleases. I do not think my GI's want me to spend their money in any such manner, for they know full well they will be paying taxes to pay this back as long as they live.

We passed the GI bill with loan provisions and this Congress has stood by and let that bill be fouled up with administrative rulings, red-tape requirements, and so forth, to the point that it has virtually defeated the veterans' loan program. But before even attempting to straighten that out, we now want to set up another bureaucracy with another Administrator which will very likely result in adding chaos to confusion. While the veterans were fighting for a home, we might bear in mind that they at the same time were fighting for the right to build their own home and for the American way of life which would guarantee to them the right to enjoy that home. All these things were involved in the war, and now I think it is high time that we begin to substitute common sense for red tape and not adopt the policy that we can buy our way out of this situation by foolish spending.

This country is facing a severe test at this very moment as result of permitting too much power to be placed into the hands of one individual, John L. Lewis; and instead of meeting these questions fearlessly, we seek to attract the attention of the country away from this bad situation by shouting about a provision of this kind which would place into the hands of one individual Administrator, not only about \$1,000,000,000 in taxpayers' money, but enough power and authority incident to this subsidy provision to give our almost already jittery economy a most severe shock.

There was some discussion about the Administrator's attorney saying this money would not be used to encourage production of lumber and brick and a feeble attempt to deny it was made, but I have the statement of the gentleman from Georgia [Mr. BROWN], the gentleman from Michigan [Mr. CRAWFORD], and the gentleman from Michigan [Mr. WOLCOTT] who definitely say the statement was most emphatically made and discussed; and one Member who sought to deny it had to content himself finally by saying he did not hear it.

The net result of this bill will be that a very few veterans will benefit indirectly to the extent of a few dollars. The fabricators and these people who would build houses that you would hang on a pole or something that would compare favorably to the igloo will take in the money that the overwhelming percent of the American GI's will have to pay back through their noses.

If I am wrong, I am sincerely wrong; but certainly in my present most serious frame of mind, I can do no other than to be honest with my veterans, sincere with my constituency, obedient to my conscience, and vote against this subsidy provision.

I would like to see a housing bill passed that would aid and assist every veteran in America to build or buy a home, but it would certainly be quite distasteful to me to have to vote for a provision of

this kind in order to get some needed help in the way of priorities, material, and so forth.

The SPEAKER pro tempore (Mr. THOMASON). The time of the gentleman from North Carolina [Mr. BARDEN] has expired.

Highway Safety

EXTENSION OF REMARKS

OF

HON. CLARE BOOTHE LUCE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, May 10, 1946

Mrs. LUCE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me before the Highway Safety Conference, Departmental Auditorium, Washington, D. C., Thursday, May 9, 1946:

For many reasons I am very glad to have this opportunity to take part in this conference, and to speak to you as a member of the Committee on Enforcement of Traffic Regulations.

Surely we all know that our highway traffic accident total is a major problem of our American scene. Our purpose here seeking a solution is both humanitarian and highly selfish. It is humanitarian because we want to save other lives; other people's lives. It is selfish because each of us is, or should be, quite interested in saving his own—and no one can know who the next accident victim may be; it might be you or I—today, tomorrow, next week, death always lurks on the highways. Because this problem is personal to all of us, it suggests the solution must be partly personal, too. Fundamentally, it is a personal and local problem.

That fact is proved by the existence of the contests for which prizes are to be awarded today. The National Safety Council, and the American Automobile Association, as sponsors of the contests, decide these awards on the basis of State and municipal records.

Naturally, I am very proud of the fact that today my own State of Connecticut takes first place among the other States in its region in the National Traffic Safety Contest, and that it also wins citation for excellence of program in the National Pedestrian Protection Contest. I want to add my congratulations to the Connecticut cities of Hartford, New London, and Rockville, each of which has been given individual recognition by the board of awards. I particularly want to compliment Mr. William M. Greene. As director of Connecticut's Highway Safety Commission, Mr. Greene has contributed very substantially to the winning of these honors. I am very happy that he is one of the seven State contact men to be given special commendation for leadership in pedestrian protection.

The most significant fact about today's awards to Connecticut, however, is that our State has continually held a high position in these safety contest. Maintenance of a low traffic-casualty rate is of more importance than the occasional winning of first place.

Ladies and gentlemen, too often, I'm afraid, the human factor in traffic accidents is obscured under a mass of statistical data.

The sheer heartbreak of needless and useless traffic deaths is known to many American families. Twice it has been known to me. I am only one of many who could stand here to tell you that there is no possible compensation for such tragedies. There is

VETERANS' EMERGENCY HOUSING ACT OF 1946

MAY 10, 1946.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 4761]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act may be cited as the "Veterans' Emergency Housing Act of 1946"*.

SEC. 1. (a) *The long-term housing shortage and the war have combined to create an unprecedented emergency shortage of housing, particularly for veterans of World War II and their families. This requires during the next two years a house-construction program larger than ever before. The first step toward such a program is to overcome the serious shortages and bottlenecks with respect to building materials, to expedite the production of such materials, to allocate them for house construction and other essential purposes, and to accelerate the production of houses with preferences for veterans of World War II and at sales prices or rentals within their means. To carry out this program, it is necessary to invest a housing expediter with adequate powers, including the power to issue policy directives. Accomplishment of these objectives will assist returning veterans to acquire housing at fair prices, stimulate industry and employment, prevent a post-emergency collapse of values in the housing field, and promote a swift and orderly transition to a peacetime economy.*

(b) *The provisions of this Act, and all regulations and orders issued thereunder, shall terminate on December 31, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress,*

declaring that the provisions of the Act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

SEC. 2. (a) There is hereby created an office to be known as *Housing Expediter*; and the President is authorized, by and with the advice and consent of the Senate, to appoint an existing official of the Government to serve as *Housing Expediter*, or to appoint the *Housing Expediter* either within any existing agency or as an independent officer of the Government. In the event of an appointment of an existing official, he is hereby authorized and permitted to continue in his present post while serving as *Housing Expediter*, except that he shall receive no additional compensation by reason of his appointment hereunder. If, however, such *Housing Expediter* is appointed within an existing agency of the Government, he shall receive compensation in compliance with the laws and regulations applicable to officers within such agency; if the *Housing Expediter* is appointed as an independent officer of the Government, he shall receive compensation at the rate of \$12,000 per annum.

(b) The *Housing Expediter*, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

(2) issue such orders, regulations, or directives to other executive agencies (including the Office of Economic Stabilization and the Office of Price Administration) as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the *Housing Expediter*, and shall, to the extent necessary, modify its operations and procedures from time to time to conform to the directions of the *Housing Expediter*;

(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

(d) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the *Housing Expediter* to carry out the provisions of this Act and such plans and programs as such *Housing Expediter* may develop for the alleviation of the housing emergency, are hereby transferred to the *Housing Expediter*. The powers so transferred

shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

(2) The powers so transferred shall continue during the period in which this Act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944.

SEC. 3. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this Act have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance with the provisions of this Act. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this Act. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this Act shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this Act shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not includ-

ing ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this Act.

(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of this Act and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. Any regulation or order under this Act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this Act. The Expediter shall have power to forbid the exportation to any foreign country of any lumber or other materials which are needed for the housing program.

SEC. 4. (a) Whenever in the judgment of the Expediter there is a shortage in the supply of any materials or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, such materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this Act.

(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) satisfying the housing requirements of veterans of World War II and their immediate families, (2) the need for the construction and repair of essential farm buildings, and (3) the general need for housing accommodations for sale or rent at moderate prices. In order to assure preference or priority of opportunity to such veterans or their families, the Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families: Provided, That the Expediter by appropriate regulation may allow for hardship cases.

(c) The provisions of this section shall not be construed as in any way affecting the power of the President to assign priorities or to allocate any materials or facilities under the provisions of subsection (a) of section 2 of the Act of June 28, 1940, entitled "An Act to expedite national defense, and for other purposes" (50 U. S. C. 633), as amended.

SEC. 5. It shall be unlawful for any person to effect, either as principal or broker, a sale of any housing accommodations at a price in excess of the maximum sales price applicable to such sale under the provisions of this Act, or to solicit or attempt, offer, or agree to make any such sale. It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this Act. Notwithstanding any termination of this Act as contemplated in section 1 (b) hereinabove, the provisions of this Act, and of all regulations and orders issued thereunder, shall be treated as remaining in force, as to rights or liabilities incurred or offenses committed prior to such termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

SEC. 6. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this Act may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have

jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with law, is unsupported by competent, material, and substantial evidence, or is arbitrary or capricious.

SEC. 7. (a) Whenever in the judgment of the Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 5 of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Expediter that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order may be granted and if granted shall be granted without bond.

(b) Any person who willfully violates any provision of section 5 of this Act, and any person who knowingly makes any statement false in any material respect in any description or statement required to be filed under section 3, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than one year, or to both such fine and imprisonment. Whenever the Expediter has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 5 of this Act, and, concurrently with State and Territorial courts, of all other proceedings under this section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Expediter or the United States Government in any proceeding under this Act.

(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within one year from the date of the occurrence of the violation, bring an action for the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and costs as determined by the court..

SEC. 8. As used in this Act—

(a) The term "maximum sales price" means the maximum price for which any housing accommodations the construction of which is completed after the effective date of this Act may be sold and includes the total consideration which may be paid by the buyer for such housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of such housing accommodations customarily assume in the community where such accommodations are located and

which actually have been incurred for services rendered at the buyer's or seller's request.

(b) The term "person" includes an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

(c) The term "district court" means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States.

(d) The term "veterans of World War II" shall include persons who have served in the active military or naval forces of the United States on or after September 16, 1940, and prior to the termination of hostilities in World War II, and who have been discharged or released therefrom under conditions other than dishonorable, and persons serving in the military or naval forces of the United States requiring housing accommodations for their dependent families.

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act: Provided, however, That so much of the First Deficiency Appropriation Act, 1946 (Public Law Numbered 269, Seventy-ninth Congress, approved December 28, 1945), as reads "Provided, That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of \$500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945", shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

SEC. 10. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"(a) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: Provided, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed \$3,800,000,000: Provided further, That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: And provided further, That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title in such instances and for such periods of time as he may prescribe."

(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 per centum of the Administrator's estimate of the necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"(A) \$5,400 if such dwelling is designed for a single-family residence, or

"(B) \$7,500 if such dwelling is designed for a two-family residence, or

"(C) \$9,500 if such dwelling is designed for a three-family residence, or

"(D) \$12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or liveability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"(A) \$8,100 if such dwelling is designed for a single-family residence, or

"(B) \$12,500 if such dwelling is designed for a two-family residence, or

"(C) \$15,750 if such dwelling is designed for a three-family residence, or

"(D) \$18,000 if such dwelling is designed for a four-family residence."

(e) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 per centum per annum on the amount of the principal obligation outstanding at any time."

(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word "emergency" and inserting in lieu thereof the words "shortage of housing", and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: "The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title."

(e) Section 604 (b) of the National Housing Act, as amended, is hereby amended by striking out the words "appraised value of such property as determined by the Administrator" and inserting in lieu thereof the following: "Administrator's estimate of the necessary current cost".

(f) Section 608 (b) of the National Housing Act, as amended, is hereby amended:

(1) by amending paragraph numbered (2) thereof to read as follows:

"(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator.";

(2) by amending paragraph (3) (C) to read as follows:

"(C) not to exceed \$1,500 per room for such part of such property or project as may be attributable to dwelling use: Provided, That the Administrator may increase this amount to \$1,800 where in his discretion, cost levels so require.";

and

(3) by striking out "reasonable replacement cost" and inserting in lieu thereof "necessary current cost".

(g) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause (C), the following: "and any mortgage insurance premiums paid after default".

SEC. 11. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended (50 U. S. C. 902 (e)), shall not apply to subsidies, which the Reconstruction Finance Corporation may make hereunder, in the form of premium payments used only to the extent that the Housing Expediter (after considering all available means) finds them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being: Provided, That not more than \$400,000,000 shall be used for such premium payments.

(b) The following standards shall be applied by the Housing Expediter to premium payments:

(1) Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved), where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

(2) The value of the units of production to which premium payments are applied (A) in the case of any new producer (except of new type materials) shall not exceed 50 per centum of the value at the producers' level of the output of such producer, and (B) in the aggregate shall not exceed 30 per centum of the value at the producers' level of all materials needed for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being. The average rate of premium payments shall not exceed 25 per centum of the value of the units of production to which they are applied.

(3) Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

(4) The stimulation of necessary additional production by premium payments shall place emphasis upon avoiding either economic dislocations or adverse effects upon established business.

(5) New type materials to which premium payments are applied shall be tested for sound quality.

(c) Not more than \$15,000,000 of the funds made available under this section may be used to the extent that other funds are unavailable for the construction of access roads to standing timber on lands owned by or under the jurisdiction of an agency of Government.

SEC. 12. (a) The powers vested in the Reconstruction Finance Corporation pursuant to clause (a) of section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3)), may be used to underwrite or guarantee markets for new type building materials and prefabricated houses, but only to the extent that the Housing Expediter finds this necessary to assure a sufficient supply for the veterans' emergency housing program: Provided, That the number of prefabricated houses covered by outstanding underwriting or guaranty (including such houses as may be held by the Housing Expediter) shall at no time during the program exceed two hundred thousand.

(b) The following standards shall be applied by the Housing Expediter to such underwriting or guaranty:

(1) To avoid impairment of established enterprises, new type materials and prefabricated houses shall be encouraged only to supplement such expanded production of conventional type materials and houses (with access to available materials) as can be achieved with sufficient rapidity and economy.

(2) There shall be reasonable prospect of either (A) full return to the Government of any funds involved in such underwriting or guaranty, or (B) net cost to the Government substantially lower than under any other available method of achieving the necessary expansion of production. Toward this end, the underwriting or guaranty of such materials or houses shall not be for more than 90 per centum of the producers' standard delivery price. The Housing Expediter shall maintain constant review of experience toward the objective that the total net costs to the Government shall in no event exceed 5 per centum of the total amount of underwriting or guaranty undertaken.

(3) There shall be clear evidence that the new type materials or prefabricated houses require underwriting or guaranty only temporarily until they attain general market acceptability.

(4) Emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business.

(5) New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

(6) Any underwriting or guaranty shall require adequate showing by the producer that he has sufficient working capital and experience, and that he can achieve the desired production on time under conditions satisfactory to the Housing Expediter.

SEC. 13. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WM. B. BARRY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

ALBEN W. BARKLEY,
ABE MURDOCK,
GLEN TAYLOR,
HUGH B. MITCHELL,
ROBERT A. TAFT,
C. D. BUCK,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill strikes out all the House bill after the enacting clause. Under the conference agreement the House recedes from its disagreement to the amendment of the Senate with an amendment, which is a substitute for the language of both the House bill and the Senate amendment. The substantial differences between the House bill and the Senate amendment and the proposed conference substitute are as follows:

STATEMENT OF POLICY

The conference agreement accepted the amendment of the Senate to the statement of policy with a clarifying change, to make the statement more descriptive of the purposes of the conference agreement.

TERMINATION DATE

The bill as it passed the House fixed the termination date as June 30, 1947. The Senate amendment fixed the termination date as December 31, 1947. The conference agreement accepts the Senate provision.

MODIFICATION OF EXPEDITER'S POWERS

The bill as it passed the House contained a subsection specifically giving the Expediter power to make regulations to prevent circumvention or evasion of the proposed new legislation and to regulate or prohibit speculative or manipulative practices. The conference agreement eliminates this subsection.

VETERANS' PREFERENCE

The Senate amendment contained a provision that in order to assure preference or priority of opportunity to World War II veterans or their families the Expediter shall require that no housing assisted by allocations or priorities under the proposed new legislation should be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families. Provision was made for allowing for non-veteran-hardship cases. The conference agreement contains this provision.

TREBLE DAMAGES AND SUITS BY THE UNITED STATES

The Senate amendment eliminated the provision of the bill as it passed the House permitting actions for treble damages in the case of violation of maximum selling price regulations or orders. The Senate amendment also eliminated the provision of the bill as it passed the House which authorized the Expediter to bring an action on behalf of the United States within one year from the date of the violation if the buyer fails to bring an action within 60 days from such date. The conference agreement accepts the Senate changes.

ADJUSTMENT OF MAXIMUM MORTGAGE AMOUNTS

The conference agreement retains provisions in the Senate amendment adjusting the maximum mortgage amounts eligible for insurance under title VI of the National Housing Act, as amended, for two-, three-, and 4-family residences so as to make these amounts more consistent with the increased amount specified by the House for single-family residences.

The House bill increased the top limit on mortgages per room on rental housing under title VI of the National Housing Act from \$1,350 to \$1,500. The Senate amendment increased this amount to \$1,600. The conference agreement retains the House limit of \$1,500 with the provision that the Administrator may increase this amount to \$1,800 where in his discretion cost levels so require.

PREMIUM PAYMENTS

The Senate amendment authorized premium payments by the Reconstruction Finance Corporation not to exceed \$600,000,000, to the extent that the Housing Expediter might find them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being, and set up standards to govern the administration of these premium payments. The conference agreement accepts the Senate provisions for premium payments but in line with instructions of the House to its managers the amount of the authorized premium payments has been reduced from \$600,000,000 to \$400,000,000.

The Senate amendment also provided that not more than \$25,000,000 of the amount authorized for premium payments could be made available for construction of access roads to standing timber on lands owned by or under the jurisdiction of an agency of Government. The conference agreement reduces the amount from \$25,000,000 to \$15,000,000.

MARKET GUARANTIES

The Senate amendment includes a provision for market guaranties of new type materials and prefabricated houses, subject to certain standards, and subject to the limitation that the number of prefabricated houses covered by outstanding underwriting or guaranty shall at no time during the program exceed 200,000. The Senate amendment provided that the underwriting or guaranty of such

materials or houses should not be for the full amount of the producer's standard delivery price. The conference agreement accepts the Senate provisions but specifically provides that such underwriting or guaranty shall not be for more than 90 per centum of the producer's standard delivery price.

TITLE

The Senate amendment to the title of the bill was retained as more descriptive of the purposes of this legislation.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WM. B. BARRY,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,
Managers on the Part of the House.



DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued May 14, 1946
For actions of May 13, 1946
79th-2nd, No. 89

CONTENTS

Appropriations.....1,4	Labor.....16	Research.....19
Claims.....4	Labor, farm.....2	Rivers and harbors.....5
Congressional reorganiza- tion.....17	Law, administrative.....3	Roads.....1
Corn.....20	Lend-lease.....11	Rural rehabilitation.....12
Dairy industry.....24	Livestock and meat.....8	Selective service.....2
Electrification.....14	Loans, farm.....7,12	Small business.....18
Feed shortage.....9,22	Personnel.....19	Subsidies.....1,25
Flood control.....6	Poultry.....9	Trade, foreign.....18
Food production.....23	Price control...10,15,21,24	Transportation.....13
Forestry.....1,25	Prices.....9	Veterans.....12
Housing.....1,25	Relief, foreign.....23	Wheat shortage.....13,20
		Wildlife.....24

HIGHLIGHTS: Both houses agreed to conference report on Patman housing bill, which authorizes price control and subsidies on new housing; Rep. Tarver objected to provision for forest roads; ready for President. House passed new selective-service extension bill but prohibited induction of fathers and provided for induction of only those between 20 and 30; rejected amendment to provide more specifically for farm-labor deferment. House Rules Committee cleared administrative-law bill. Senate committee reported Cooley farm-credit bill with language of Bankhead bill. Reps. Gross and Barden criticized Secretary Anderson's request for a 10% reduction in pig production.

HOUSE

1. **HOUSING.** Both Houses agreed to the conference report on H. R. 4761, the Patman housing bill, to be known as the "Veterans' Emergency Housing Act of 1946" (pp. 5012-5, 5032-6). This bill will now be sent to the President.

The bill creates the office of Housing Expediter and authorizes the President, with Senate confirmation, to appoint him within any existing agency or as an independent official. Authorizes the Expediter to formulate veterans' housing programs, to issue orders to other government agencies, to recommend legislation, and to cooperate with government and other groups; and transfers appropriate powers of OWMR to him. Authorizes him to place price ceilings on new housing. Authorizes him to allocate or establish priorities for materials needed for urban or rural housing and farm buildings. Liberalizes the mortgage-insurance provisions of the National Housing Act. Authorizes the Expediter to provide \$400,000,000 of housing subsidies to be financed by RFC, with an authorization for \$15,000,000 of this sum to be used, to the extent that other funds are not available, for construction of access roads to standing timber on lands owned by or under the jurisdiction of any Government agency. Provides for termination of this Act on Dec. 31, 1947 or a date chosen by Congress, whichever is earlier.

The House vote on the conference report was 298-71 (p. 5036).

Rep. Tarver, Ga., spoke against the provision for access roads to timber, stating that the subject of forest roads was considered in connection with the agricultural appropriation bill (pp. 5034-5).

2. **SELECTIVE SERVICE.** Passed, 280-84, with amendments S. J. Res. 159, to continue the Selective Training and Service Act (pp. 5036-60).

Rejected, 97-165, an amendment by Rep. Arends, Ill., to provide that, in classifying registrants, local boards shall base their findings only on whether

they are necessary to and regularly engaged in agriculture (p. 5058). Rep. Lemke, N. Dak., spoke in favor of deferment of farm labor (p. 5050).

Agreed, 213-154, to amendments by Rep. Sheridan, Pa., to prohibit induction of fathers and permit induction of only those persons between 20 and 30 (pp. 5055-9).

3. ADMINISTRATIVE LAW. The Rules Committee cleared S. 7, to improve the administration of justice by prescribing fair administrative procedure (p. 5024).
4. CLAIMS. Received from the President appropriation estimates for claims allowed by GAO (H. Docs. 578, 581, 582, and 583) and judgments rendered by district courts (H. Doc. 580). To Appropriations Committee. (p. 5061.)
5. RIVERS AND HARBORS Committee reported its omnibus bill (H. Rept. 2009) (p. 5061).
6. FLOOD CONTROL. Received the War Department's survey report on the Lehigh River, Pa. (H. Doc. 587). To Flood Control Committee. (p. 5061.)
7. FARM CREDIT. Rep. Poage, Tex., inserted a correction of the Houston (Tex.) Federal Land Bank's resolution to read: urging consideration of their resolution with reference to the suggestion that the lending power of the land bank commissioners be allowed to lapse" rather than "urging consideration of their resolution with reference to the suggestion that the Federal land banks be discontinued" as shown in the May 1 Congressional Record (p. 5021).
8. PIG PRODUCTION. Reps. Gross (Pa.) and Barden (N.C.) criticized Secretary Anderson's request for a 10% reduction in pig production (pp. 5022-3).
9. FEED SHORTAGE. Rep. Voorhis, Calif., spoke favoring increased poultry and other farm prices in view of the increased feed prices (p. 5021).
10. PRICE CONTROL. Rep. O'Toole, N.Y., urged that the Banking and Currency Committee determine "where the hundreds of thousands of dollars that are being expended to wipe out OPA are coming from" (p. 5020).
Rep. Smith, Ohio, criticized OPA "illegal tactics," referring to an OPA "tear sheet" as a violation of the use of Federal funds for influencing Congressional conduct (p. 5022).
11. LEASE-LEASE. H. Doc. 568 (see Digest 87) includes a letter from the Budget Bureau stating that \$1,897,000 is for this Department's administrative expenses and maintenance charges on plants and facilities acquired from such funds.

SENATE

12. FARM CREDIT. The Agriculture and Forestry Committee reported with amendment H.R. 5991 (the Coolidge bill) substituting the language of S. 1507 (S. Rept. 1329) (p. 4981). The Bankhead bill amends the Bankhead-Hones Farm Tenant Act so as to authorize tenancy loans to repair or improve family-type farms, enlarge undersized farms, refinance farms in certain circumstances, or make improvements in view of changing conditions; to make veterans eligible for such loans; to prohibit such loans unless the farm is of a size and type suitable for an efficient family-type unit; to limit the value to the county average; to permit at least \$10,000 to be used in each State; to permit veteran loans to be made from special appropriations without regard to State limitations; to provide a straight authorization for administrative expenses instead of the 5% limitation; to make previous and subsequent appropriations subject only to limitations of Title I; to permit grants to individuals for rehabilitation and to health cooperatives; to make veterans eligible for rehabilitation loans; to provide a straight and unlimited authorization for rehabilitation-loan appropriations; to make several changes in

of the Senate, and ascertain what we can devise as a solution of this acute problem. No, Mr. President, it cannot be done in any roundabout way of circumlocution. Everyone knows what the proponents of these amendments are endeavoring to do. They are endeavoring to provide punitive measures against John L. Lewis and the miners, or others similarly situated. I ask whether the people of the United States are at the present time willing to enforce compulsory labor upon any man for another man's profit without conditional terms of employment. It was said a while ago that the mines might be subjected to the same criteria to which railroads are subjected. Two Senators have already pointed out that the Interstate Commerce Commission fixes the rates which railroads may charge for services which they render. Is business generally in this country willing to accept that kind of control?

The Interstate Commerce Commission rules how much the railroads may pay in the way of dividends. Are the mine owners willing to accept those conditions? If labor and management would submit their enterprise and their controversy to compulsory governmental arbitration, let the Government fix wages, fix salaries, fix dividends, fix the amount which should be set aside for future use, fix the amount of the advertising fund of the industry, along with all else, well and good, it could be done that way, provided we were willing to do it that way. But would it not be better to have an occasional strike, even by so arrogant and able a leader as John L. Lewis, than it would be to make industry and labor fit into that kind of a governmental strait-jacket? That is what we are talking about, the balance of interest. Of course, we have often been vexed and in many instances hurt by what Mr. Lewis has done, but I have been in the Senate for 10 years, and I have noticed it is a little difficult to get all the social legislation through one would like to have to prevent things like the present trouble occurring.

If we do not want houses like those now existing to be the homes of miners, let the Senate send a committee tomorrow to investigate, and if they find them a disgrace to America, let them return and report, and let us pass a bill to remedy the condition as quickly as we passed the draft bill a few days ago. Does anyone think we can get that done in the Senate? If the miners are not getting enough wages, let us send a Senate committee to the mines to find out what they should get, let the committee return, and let us act according to its report.

I will say, out of some justification of John L. Lewis, that if it had not been for his dramatic bringing of the facts surrounding conditions in the mines to the public attention, nothing would have been done about it, either by management or by the public; and that is too often true. It is conditions like that, so long neglected on the part of management, which oftentimes force labor to take the dramatic stands they take,

so often to the detriment of the whole public. Yet I should like to go back over the history of the betterment of the conditions of working men and women in this country and see how many of the improvements have graciously and beneficently been bestowed upon the uncomplaining worker by the generous employer.

According to my observation, most of the betterments men and women have achieved, and improvements they have got in their working conditions have come about after a battle to better themselves. They have had to fight management, they have often had to fight the police, they have had to fight in many instances a bought press, and in many cases an unworthy, unscrupulous crowd of bought politicians. Only in the last few years, since labor unions have come to have some money and some power comparable in a small way to the power which big business has, have they come to be able to exert any collective power politically upon their public representatives. And now, as soon as they are able to exercise such a power, what do we hear? A determination to make it impossible for them to exercise the power.

But any Senator who tries to advocate a liberal policy, to run in any State of this Union, has to fight the moneyed interests of the State. No one can tell me anything about that subject, because I have been experiencing it for a good many years myself. I know where the money comes from ordinarily against a Senator who stands here and fights for what we call liberal legislation. Those who oppose him can dump hundreds of thousands of dollars into a perfidious pot, but if the CIO contributed a thousand dollars, they will cry to high heaven like a stuck pig.

Mr. President, I rejoice in the growing strength the labor unions are beginning to acquire, although it is an infant strength compared with what they will eventually have. Thank God they are men and women who have votes, and they have learned how they can put their votes and their dollars together, and stand up a little bit against the opposition.

Most of the papers are owned by people who are antisocial and antiliberal, and who are getting money out of advertisers who do not want us to pass beneficent legislation. I thank God that the labor unions are getting to the point where they can stand up and walk like men, and not have to crawl like animals across the face of the country.

Mr. President, they are going to grow stronger instead of weaker. They may have their little temporary set-backs. A combination in Congress may emasculate their power, it may curb their authority and their rights. All the bitter, vicious propaganda of the politically kept and bought may sometimes discredit them in the eyes of the public, but there is more political integrity in a labor union than there is in most trade associations.

When we are talking about subjecting labor unions to certain criteria, then I want to know how many of these trade associations are going to be put under the

same rules and regulations. When we talk about collecting income taxes from labor unions, I want to know if we are to collect income taxes from trade associations—the National Association of Manufacturers, the United States Chamber of Commerce, the Associated Industries, in my State, and many other organizations of that character. When we are talking about putting curbs on labor leaders, I want to know when we are to put curbs on the power of money interests who exercise their authority in such a way as to affect adversely the economy of our country.

Mr. BALL. Mr. President, will the Senator yield?

Mr. PEPPER. I think it is time we began to put these things in the same scale. I yield to the Senator from Minnesota.

Mr. BALL. A while ago the Senator spoke about some of the amendments being punitive, and just now he mentioned curbs on management. I wonder if he would regard the National Labor Relations Act, which certainly applies considerable compulsion to management in the labor-relations field, as punitive.

Mr. PEPPER. It depends on the spirit in which it was enacted. The act was simply to protect the workmen in the enjoyment of the rights they should have had protection in a long time ago.

Mr. BALL. Was it aimed primarily at the correction of what Congress felt to be abuses on the part of employers which had developed in the labor-relations field?

Mr. PEPPER. That is correct.

Mr. BALL. To do that it had to apply certain restraints on employers, and it did so.

Mr. PEPPER. That is correct.

Mr. BALL. Is it not quite possible that some of us might believe that unions, in their share of the labor relations picture, have also developed abuses which need some correction, and would the Senator then apply the adjective "punitive" to any attempt by legislation to correct those abuses?

Mr. PEPPER. I would not. As I said, it would depend on the spirit in which the legislation was proposed. But there are those, the able Senator well knows, who take advantage of every opportunity to try to inflict some kind of restraint on labor and it is entirely possible that there are people like that today who are interested in the pending legislation.

Mr. BALL. Does the Senator believe that there can be organizations as powerful economically and politically as labor unions are today—and the Senator just expressed the hope they would become 10 times more powerful—

Mr. PEPPER. I did not say 10 times more, I said many times more.

Mr. BALL. Does he believe there can be such organizations subject to absolutely no restraint, and still have a free democracy, without complete domination by such powerful organizations?

Mr. PEPPER. I am willing to subject them to the same controls, that are comparable, to which we subject management, and those who have millions

and hundreds of millions at their beck and call and at their disposal. There are plenty of men sitting in New York today—the chairman of the board of directors of the United States Steel Corp., for example—who, by the mark of a pen, can exercise more power than any labor union in the United States. Yet, I do not see anyone curbing their power.

Mr. BALL. I never met one of those gentlemen; but one of the abuses of unions today which was clearly brought out in our hearings is their use of the secondary boycott to create economic monopolies, which are as vicious as any brought about by the great trusts of 50 years ago. Yet the majority of the Senate Committee on Education and Labor refused to adopt any amendment which would put any kind of restraint whatever on unions in the use of their tremendous power today to create absolute monopolies to the detriment of the consuming public.

Mr. PEPPER. Yes; and private business in this country today can sell an automobile to anyone to whom they want to sell it; they can sell a radio to anyone to whom they want to sell it; they can say, "You are a Republican, and I do not like you," or "You are a Democrat and I do not like you. I will not sell you a radio, even if my warehouse is bursting with them." And what can we do about it? So today, speaking of a secondary boycott, if a worker says he will not associate himself with certain people, what are we to do about it without curbing the right of selection we all have in the business world?

Mr. BALL. I am sorry, but we do not let them have it in the business world. If businessmen combine to create monopoly, they are subject to prosecution under the antitrust laws, as the Senator knows.

Mr. PEPPER. Yes; if there is a combination in restraint of trade as a part of a business practice. This is not done as a part of restraint in violation of the Sherman antitrust law, as the court has held. In one case it is business enterprise carrying out a business purpose; in the other case it is one individual associating with others according to his own standards.

I do not have to deliver a truck of groceries to the Senator's house if I do not want to deliver it, whether I am the grocer who owns a grocery store or not. We cannot make a truck driver deliver a load of groceries to my house if he does not want to, any more than we can make a grocer sell me a dollar's worth of groceries if he does not wish to.

Mr. BALL. We do not let a grocer combine with two other grocers and say, "This one shall serve these customers, and the other these customers, and we will double our prices." Grocers cannot do that. The Supreme Court has held unions can do it, and they are doing it.

Mr. PEPPER. That is not the typical case of the boycott.

Mr. HATCH. Mr. President, it is apparent the Senator from Florida is not going to be able to conclude this evening. The Senator from Kentucky has asked me to have an executive session.

Mr. PEPPER. That is all right, if the Senator will let me finish a sentence or two more, then I shall desist, with the understanding that I may resume tomorrow.

I wish to make just one more statement and then I shall conclude for today. The Committee on Education and Labor, under the able chairmanship of the distinguished junior Senator from Montana, has labored long and diligently and faithfully in trying to find the kind of legislation that the Congress properly can enact at the present time, and I do beseech my colleagues that they give us a chance to have this bill, over which we have labored so much, considered on the floor of the Senate before it is cast aside and spurned by the adoption of new amendments which have had no committee consideration and cannot possibly be considered with any thoroughness or fairness when brought to the attention of Senators here on the floor.

Mr. President, all of us are interested in the solution of the problem of continued production. We want to find the best answer we can possibly find, but we want to evaluate and to weigh all the considerations involved, and I do hope that instead of proceeding angrily or hastily or piecemeal, that we will so deliberate upon this legislation that in the months or years to come we may look back at our efforts here with pride and real satisfaction.

I should like to ask unanimous consent to retain the floor tomorrow.

Mr. MURRAY. Mr. President, before the Senator sits down, I should like to ask him a question. Is it not a fact that throughout the hearings which we held, the leading authorities in the field of labor relations came before us and fortified us in the conclusions we have arrived at which we placed in the bill we reported?

Mr. PEPPER. The Senator is absolutely correct.

Mr. MURRAY. Here, for instance, is the statement made by Mr. Davis, who is one of the very well known experts in the field of labor relations.

Mr. PEPPER. And who was chairman of the War Labor Board during the war.

Mr. MURRAY. He said before the committee:

Now, what is the relation of strikes and lock-outs to this situation?

The creative adventure of the conference table loses all color of reality if the workers who have been deprived of their right to reject management's offer and quit, or if management had lost its right to refuse the workers' terms and close the plant. It is, in the last analysis, the pressure of this right to strike or to lock out that keeps the parties at the conference table; that tests their courage, resourcefulness, and decision. Especially in times of emergency like the present time, those who are not involved in a dispute, the general public, are too prone to think of a strike as an unmitigated evil. The man on the street is not likely to know, or very much to care, about what the controversy means to those who are in it. He wants peace and production. He resents the stoppage and the strife. He is likely to feel as though the strike were an insult or an injury aimed at him directly.

But the truth is, Senators, that the people are the primary sufferers in a strike or lock-out, primarily. They are the one who pay the

bills, and it is particularly the individual wage earner who suffers most, because he is generally the one with the least resources.

All through the month of hearings we were fortified and supported in our conclusions by the ablest men in the country in the field of labor relations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

VETERANS' EMERGENCY HOUSING ACT— CONFERENCE REPORT

Mr. BARKLEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Veterans' Emergency Housing Act of 1946.'"

"Sec. 1. (a) The long-term housing shortage and the war have combined to create an unprecedented emergency shortage of housing, particularly for veterans of World War II and their families. This requires during the next 2 years a house-construction program larger than ever before. The first step toward such a program is to overcome the serious shortages and bottlenecks with respect to building materials, to expedite the production of such materials, to allocate them for house construction and other essential purposes, and to accelerate the production of houses with preferences for veterans of World War II and at sales prices or rentals within their means. To carry out this program, it is necessary to invest a housing expediter with adequate powers, including the power to issue policy directives. Accomplishment of these objectives will assist returning veterans to acquire housing at fair prices, stimulate industry and employment, prevent a post-emergency collapse of values in the housing field, and promote a swift and orderly transition to a peacetime economy.

"(b) The provisions of this Act, and all regulations and orders issued thereunder, shall terminate on December 31, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the provisions of the Act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

"(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"Sec. 2. (a) There is hereby created an office to be known as Housing Expediter; and the

President is authorized, by and with the advice and consent of the Senate, to appoint an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as an independent officer of the Government. In the event of an appointment of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his appointment hereunder. If, however, such Housing Expediter is appointed within an existing agency of the Government, he shall receive compensation in compliance with the laws and regulations applicable to officers within such agency; if the Housing Expediter is appointed as an independent officer of the Government, he shall receive compensation at the rate of \$12,000 per annum.

"(b) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

"(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

"(2) issue such orders, regulations, or directives to other executive agencies (including the Office of Economic Stabilization and the Office of Price Administration) as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

"(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

"(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

"(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

"(d) 1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Housing Expediter to carry out the provisions of this Act and such plans and programs as such Housing Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Housing Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

"(2) The powers so transferred shall continue during the period in which this Act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944.

"SEC. 3. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this Act

have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance with the provisions of this Act. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this Act. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

"(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this Act shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this Act shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

"(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this Act.

"(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of this Act and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. Any regulation or order under this Act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this Act. The Expediter shall have power to forbid the exportation to any foreign country

of any lumber or other materials which are needed for the housing program.

"SEC. 4. (a) Whenever in the judgment of the Expediter there is a shortage in the supply of any materials or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, such materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this Act.

"(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) satisfying the housing requirements of veterans of World War II and their immediate families, (2) the need for the construction and repair of essential farm buildings, and (3) the general need for housing accommodations for sale or rent at moderate prices. In order to assure preference or priority of opportunity to such veterans or their families, the Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families: *Provided*, That the Expediter by appropriate regulation may allow for hardship cases.

"(c) The provisions of this section shall not be construed as in any way affecting the power of the President to assign priorities or to allocate any materials or facilities under the provisions of subsection (a) of section 2 of the Act of June 28, 1940, entitled 'An Act to expedite national defense, and for other purposes' (50 U. S. C. 633), as amended.

"SEC. 5. It shall be unlawful for any person to effect, either as principal or broker, a sale of any housing accommodations at a price in excess of the maximum sales price applicable to such sale under the provisions of this Act, or to solicit or attempt, offer, or agree to make any such sale. It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this Act. Notwithstanding any termination of this Act as contemplated in section 1 (b) hereinabove, the provisions of this Act, and of all regulations and orders issued thereunder, shall be treated as remaining in force, as to rights or liabilities incurred or offenses committed prior to such termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"SEC. 6. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this Act may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with law, is unsupported by competent, material, and substantial evidence, or is arbitrary or capricious.

"SEC. 7. (a) Whenever in the judgment of the Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 5 of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Expediter that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order

may be granted and if granted shall be granted without bond.

"(b) Any person who willfully violates any provision of section 5 of this Act, and any person who knowingly makes any statement false in any material respect in any description or statement required to be filed under section 3, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than one year, or to both such fine and imprisonment. Whenever the Expediter has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

"(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 5 of this Act, and, concurrently with State and Territorial courts, of all other proceedings under this section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Expediter or the United States Government in any proceeding under this Act.

"(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within one year from the date of the occurrence of the violation, bring an action for the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and costs as determined by the court.

"Sec. 8. As used in this Act—

"(a) The term 'maximum sales price' means the maximum price for which any housing accommodations the construction of which is completed after the effective date of this Act may be sold and includes the total consideration which may be paid by the buyer for such housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of such housing accommodations customarily assume in the community where such accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request.

"(b) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

"(c) The term 'district court' means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States.

"(d) The term 'veterans of World War II' shall include persons who have served in the active military or naval forces of the United States on or after September 16, 1940, and prior to the termination of hostilities in World War II, and who have been discharged or released therefrom under conditions other than dishonorable, and persons serving in the military or naval forces of the United States requiring housing accommodations for their dependent families.

"Sec. 9. There are authorized to be appropriated such sums as may be necessary to

carry out the provisions and purposes of this Act: *Provided, however*, That so much of the First Deficiency Appropriation Act, 1946 (Public Law Numbered 269, Seventy-ninth Congress, approved December 28, 1945), as reads '*Provided*, That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of \$500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945', shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

"SEC. 10. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"(a) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed \$3,800,000,000: *Provided further*, That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: *And provided further*, That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title in such instances and for such periods of time as he may prescribe.

"(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 per centum of the Administrator's estimate of the necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"(A) \$5,400 if such dwelling is designed for a single-family residence, or

"(B) \$7,500 if such dwelling is designed for a two-family residence, or

"(C) \$9,500 if such dwelling is designed for a three-family residence, or

"(D) \$12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage

amounts, to construct dwellings without sacrifice of sound standards of construction, design, or livability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"(A) \$8,100 if such dwelling is designed for a single-family residence, or

"(B) \$12,500 if such dwelling is designed for a two-family residence, or

"(C) \$15,750 if such dwelling is designed for a three-family residence, or

"(D) \$18,000 if such dwelling is designed for a four-family residence.

"(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 per centum per annum on the amount of the principal obligation outstanding at any time.

"(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word 'emergency' and inserting in lieu thereof the words 'shortage of housing', and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: 'The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title.'

"(e) Section 604 (b) of the National Housing Act, as amended, is hereby amended by striking out the words 'appraised value of such property as determined by the Administrator' and inserting in lieu thereof the following, 'Administrator's estimate of the necessary current cost'.

"(f) Section 608 (b) of the National Housing Act, as amended, is hereby amended:

"(1) by amending paragraph numbered (2) thereof to read as follows:

"(2) Preference for priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator;

"(2) by amending paragraph (3) (C) to read as follows:

"(C) not to exceed \$1,500 per room for such part of such property or project as may be attributable to dwelling use: *Provided*, That the Administrator may increase this amount to \$1,800 where in his discretion, cost levels so require; and

"(3) by striking out 'reasonable replacement cost' and inserting in lieu thereof 'necessary current cost'.

"(g) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause (C) the following: "and any mortgage insurance premiums paid after default."

"Sec. 11. (a) The last paragraph of section 2 (c) of the Emergency Price Control Act of 1942, as amended (50 U. S. C. 902 (e)), shall not apply to subsidies, which the Reconstruction Finance Corporation may make hereunder, in the form of premium payments used only to the extent that the Housing Expediter (after considering all available means) finds them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being: *Provided*, That not more than \$400,000,000 shall be used for such premium payments.

"(b) The following standards shall be applied by the Housing Expediter to premium payments:

"(1) Premium payments shall be used only temporarily and only with relation to addi-

tional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved), where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

"(2) The value of the units of production to which premium payments are applied (A) in the case of any new producer (except of new type materials) shall not exceed 50 per centum of the value at the producers' level of the output of such producer, and (B) in the aggregate shall not exceed 30 per centum of the value at the producers' level of all materials needed for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being. The average rate of premium payments shall not exceed 25 per centum of the value of the units of production to which they are applied.

"(3) Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

"(4) The stimulation of necessary additional production by premium payments shall place emphasis upon avoiding either economic dislocations or adverse effects upon established business.

"(5) New type materials to which premium payments are applied shall be tested for sound quality.

"(c) Not more than \$15,000,000 of the funds made available under this section may be used to the extent that other funds are unavailable for the construction of access roads to standing timber on lands owned by or under the jurisdiction of an agency of Government.

"Sec. 12. (a) The powers vested in the Reconstruction Finance Corporation pursuant to clause (a) of section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3)), may be used to underwrite or guarantee markets for new type building materials and prefabricated houses, but only to the extent that the Housing Expediter finds this necessary to assure a sufficient supply for the veterans' emergency housing program: *Provided*, That the number of prefabricated houses covered by outstanding underwriting or guaranty (including such houses as may be held by the Housing Expediter) shall at no time during the program exceed two hundred thousand.

"(b) The following standards shall be applied by the Housing Expediter to such underwriting or guaranty:

"(1) To avoid impairment of established enterprises, new type materials and prefabricated houses shall be encouraged only to supplement such expanded production of conventional type materials and houses (with access to available materials) as can be achieved with sufficient rapidity and economy.

"(2) There shall be reasonable prospect of either (A) full return to the Government of any funds involved in such underwriting or guaranty, or (B) net cost to the Government substantially lower than under any other available method of achieving the necessary expansion of production. Toward this end, the underwriting or guaranty of such materials or houses shall not be for more than 90 per centum of the producers' standard delivery price. The Housing Expediter shall maintain constant review of experience toward the objective that the total net costs to the Government shall in no even exceed 5 per centum of the total amount of underwriting or guaranty undertaken.

"(3) There shall be clear evidence that the new type materials or prefabricated houses require underwriting or guaranty only temporarily until they attain general market acceptability.

"(4) Emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business.

"(5) New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

"(6) Any underwriting or guaranty shall require adequate showing by the producer that he has sufficient working capital and experience, and that he can achieve the desired production on time under conditions satisfactory to the Housing Expediter.

"Sec. 13. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

ALBEN W. BARKLEY,
ABE MURDOCK,
GLEN TAYLOR,
HUGH B. MITCHELL,
ROBERT A. TAFT,
C. D. BUCK,

Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
WM. B. BARRY,
JESSE P. WOLCOTT,
RALPH A. GAMBEE,

Managers on the Part of the House.

Mr. BARKLEY. Two or three conferees were not in town, and therefore did not sign the report.

Mr. WHITE. I understand that all who were in the city joined in the report.

Mr. BARKLEY. All who were in the city joined in the report, and the House has just adopted the report. I might say that the report as agreed to reduces the amount of the premium payments for stimulation of material from \$600,000,000 to \$400,000,000.

The extension period contained in the bill as it passed the House was lengthened from June 30, 1947, to December 31, 1947, through next year.

In regard to the guaranty of prefabricated houses, the bill as it passed the Senate provided a guaranty of 100 per cent of the sale price, but never to exceed 200,000 units at one time. The conferees reduced that to 90 percent of the sale price.

Outside of these changes the others are purely textual and routine.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the report?

There being no objection, the report was considered and agreed to.

ARTICLE BY AGNES E. MEYER ABOUT MEMPHIS AND MR. CRUMP

Mr. STEWART. Mr. President, my attention has been called to a most contemptible and obviously malicious and untruthful publication appearing in the Washington Post of Monday, May 13. This article concerns Memphis, Tenn., and Mr. E. H. Crump, and is written by Agnes E. Meyer, the wife of Eugene Meyer, editor and publisher of that paper.

Mrs. Meyer has been busying herself for some time going about over the country and writing articles about different sections, with special emphasis on the South. During the war Mrs. Meyer contributed her patriotic bit by trying to stir up racial trouble between the white

and black people of the South, at which time she would visit Army camps. She did her very best to incite race trouble, with only a small degree of success.

Now that the war is over and the country is struggling through the trying period of reconversion Mrs. Meyer, probably having little else to do, again goes South, this time in the interest of CIO-PAC and communism.

She visits one of the South's greatest cities; indeed, one of the Nation's greatest cities; a city which has long since been famously known for its cleanliness, for its general good health and great hospitals, hospitals that are superior to those in Mrs. Meyer's home town; a city free of cheap politicians and graft; a city that has several times taken national safety awards because of its comparatively few traffic accidents.

Memphis is a city which has taken national awards because of the small amount of property destruction by fire; a city which enjoys perhaps the lowest fire-insurance rate of any city in the Nation, and is among those cities which have an extremely low property tax rate; a city where the people, both white and black, are happy and contented and prosperous; where they are at work and at peace with another; a city that has some of the finest churches, of all denominations, that exist anywhere in the land. Mrs. Meyer goes to this city, I say, and undertakes to slander its people. She says that they are forced to "kowtow" to Mr. E. H. Crump, its No. 1 citizen and builder, and one of the greatest men this Nation has ever produced or probably ever will produce. She undertakes to picture Mr. Crump as a sort of Hitler, and she develops fictitious interviews with imaginary persons who whisper to her that Mr. Crump rules the city through fear and intimidation.

Mrs. Meyer seeks to slander the South and its greatest leader. The statement made by Mrs. Meyer about Mr. Crump and the people of Memphis is utterly untrue. It is a malicious, willful, and wanton falsehood.

Mrs. Meyer does not give the name of a single respectable citizen and businessman of Memphis from whom she procured any such information. She uses the same old time-worn gag of deception when she says that they told her these things, but they are "afraid" for their name to be made public. She is a falsifier. Nobody told her any such things as she has written.

Mrs. Meyer claims to be interested in human welfare and improvement of living conditions, and so forth, in the country. She is not interested in any such a thing at all. If she were she would spend more time in Washington, D. C. Her delight seems to be to tear down and to destroy, to abuse, and to slander and vilify. In common parlance, Mrs. Meyer is a "nosy busybody."

The people of the South know that her statement is not true. This is another of her malicious efforts to slander, made in furtherance of a desire and purpose to do injury to a great section of the Nation and to stir up strife and, of course, direct attention to herself. But underneath all of this is the basic desire to forward the cause of CIO-PAC—communism—the old ruse of masquerading

as a reformer while trying to advance the cause of democracy's greatest enemy.

But Mrs. Meyer cannot hurt Mr. Crump or the people of Memphis. She will reap only the sound of her own voice and see her own name in print. Neither can she injure the senior Senator from Tennessee [Mr. McKellar] or Mayor Chandler—two great public servants. All these men have been slandered by able writers. The senior Senator from Tennessee is known for his independence, and he and Mr. Crump are warm personal friends. Mr. Crump is not the sort of man Mrs. Meyer describes at all. He never abuses his friends or holds them up to ridicule as she says. Mrs. Meyer probably got some of her stories from Edward J. Meeman whom she pictures as a hero in a bad land.

Years ago Meeman went to Memphis to drive Mr. Crump out. People have already forgotten Meeman, and Mr. Crump's popularity grows each day. Mr. Crump has been in Memphis about one-half a century. He has grown up with it, so to speak. His everlasting honesty has stood the test of time; not even once has an opponent been able to score on him. He does not have spies; he does not need them. The people down there fairly worship him, and what Mrs. Meyer has to say will not hurt him at all.

Mr. Crump numbers his friends by the thousands. Those who have felt the warmth of his friendship and the strength of his comradeship never forget it. Memphis and Tennessee and the South love him. In an hour of sorrow which came to him and his lovely wife a few years ago, every heart down there beat to the fullness of southern sympathy.

Mr. Crump has character, courage, strength, and friends. He is one of the Nation's all-time great, and the Meyer-CIO-PAC-Communists coalition cannot begin to hurt him or Memphis.

EXECUTIVE SESSION

Mr. HATCH. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Joseph Kormann, for appointment as Assistant Chief, Research and Statistics Division, Philadelphia Branch, Selective Service System, under the provisions of law.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DISTRICT OF COLUMBIA

The legislative clerk read the nomination of John Russell Young to be Commissioner of the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. HATCH. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That completes the calendar.

Mr. HATCH. I ask unanimous consent that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. HATCH. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 24 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 14, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations confirmed by the Senate May 13 (legislative day of March 5) 1946:

COMPTROLLER OF CUSTOMS

Charles I. Lafferty, of Atlantic City, N. J., to be comptroller of customs with headquarters at Philadelphia, Pa. (Reappointment.)

UNITED STATES TARIFF COMMISSION

John Price Gregg, of Oregon, to be a member of the United States Tariff Commission for the term expiring June 16, 1947.

FEDERAL COMMUNICATIONS COMMISSION

Paul A. Walker, of Oklahoma, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1946.

IN THE NAVY

LIEUTENANT COMMANDERS

Brewer, James T. Traua, Harold F.
Sigel, Clinton H. Wallis, Adelbert V.

LIEUTENANTS

Atkinson, Richard H. Gage, Kenneth L.
Jr. Meneke, Kenneth E.
Bankert, Boyd A. Steffanides, E. F., Jr.

LIEUTENANTS—JUNIOR GRADE

Blackwood, Herbert B. Gregg, Thomas A.
Boles, Warren C. Harrison, Harry W., Jr.
Bull, Carl E. Hillis, Thomas W.
Cameron, Gerald L. Hines, Kenneth W.
Cole, Shelby O. Holden, James R.
Crutcher, William R. Hoolhorst, Robert A.
Curtis, Walter L. J. Howe, Thomas F.
Darroch, James W. Hunnicutt, James L.
Davis, Lewis F. Huston, Robert C.
Detrick, Virgil S., Jr. Jennings, Verne A.
Dimpfel, Emerson H. Kirkpatrick, William
Ellis, Paul B. S., Jr.
Fagan, Robert H. Lafferty, Kenneth F.
Faulkner, Frederic L. Marvin-Smith, Harry
Fleming, Edward S. McAllister, Joseph D.
Flynn, Leonard J. McCurtain, James H.
Francis, Duncan F. Meakin, John B.
Frauenheim, Gilbert J. Miller, Floyd F.
Gallagher, Harry J. Monk, Ivan
Green, Allen V. Nienstedt, Donald A.

Pawka, Edward J. Sintic, Anton J., Jr.
Pear, John F. Smith, Hinton J.
Pearson, Gerald R. Strauss, Ben Arthur
Riley, Frederick D., Jr. Van Gorder, Harold B.
Sinkankas, John

ENSIGNS

Abbott, Myron J. Bingham, Byrum C.
Adams, Arthur J. Birch, Thomas L.
Adams, Fred I. Bird, Wesley E., Jr.
Adkisson, Hubert K. Blair, Marvin S.
Agin, Kenneth G. Blake, Frank W., Jr.
Ahlstrom, Orin J. Bland, Sylvan R.
Alber, Lavier C. Bland, William F.
Alexander, Robert C. Bodger, Walter C.
3d Bolt, William H., Jr.
Allen, Eugene T. Boucree, James J.
Allen, Joseph S. Bowen, Alva M., Jr.
Allmon, Clyde E. Bowers, Roscoe H.
Aloisio, Veto Box, Herbert G.
Amman, Bernard Boyd, Earl I.
Ammerman, Charles, Boyle, John A.
Jr. Bradford, John R., Jr.
Anderson, Thomas E. Bradley, Frank H.
Andrews, George G. Branson, "J" "F", Jr.
Andrus, Richard C. Branton, Richard C.
Aney, John L. Brasca, John P.
Anglemyer, Robert E. Breeden, George B.
Archie, Addison S., Jr. Brekke, Trond G.
Appel, Robert B. Brent, Sherman E.
Armstrong, Frank D. Bridges, Johnie J.
Jr. Brokaw, Bergon F.
Armstrong, Sam "T" Brooks, Paul R. M.
Jr. Brown, Donald N.
Armstrong, William H. Brown, Guy C.
Arseneault, Arthur J. Brown, Ian F.
Jr. Brown, Joseph W., Jr.
Axson, Frank A. Brownsberger, James
A. A.
Bacon, Noel R. Buckles, Harland R.
Bacon, Schuyler W. Bucklew, Oscar T.
Baer, John H. Burchfield, James L.
Bagwell, Ralph M. Burke, Gale C.
Bailey, Gordon W. Burnam, Harold W.
Bailey, John D. Cady, Joseph
Baker, Philip Cain, Elbert V., Jr.
Baker, Robert G. Caine, Lawrence B.,
Baker, Robert J. Jr.
Baker, Royal W. Call, William R.
Bakle, George F. Callahan, Charles W.
Balestri, William L. Callis, John L.
Ball, Robert R., Jr. Capistran, John H.
Ballew, John L. Carlenzoli, Henry
Ballinger, William C. Carman, Robert E.
Bally, Walter L., Jr. Carpenter, Melvin J.
Bark, Durward A. Carr, Leslie "J"
Barker, Gilbert H. Carrier, Francis A.
Barker, Jesse T. Carros, John Z.
Barkley, Edward P. Carter, Harold L.
Barnes, Robert M. Cates, Kenneth W.
Barnsdale, William J. Cauchon, Herve P.
Barrett, Russel R., Jr. Cavanaugh, "O" "B,"
Barry, Bruce C. Jr.
Barton, Elbert M., Jr. Cawley, Max E.
Barton, George E. Cella, Roy F.
Bates, Sheldon "S" Chandler, Murray L. C.
Batson, Roland R., Jr. Chiles, Richard H., Jr.
Bauder, Eugene W. Chinnis, Carter C.
Baumgaertel, Lawrence F. Chisholm, John E.
Baumgardner, Neal G. Christensen, Gordon P.
Bayless, Terry S. Christiansen, William
Beal, Roby A. Clock, Richard L.
Beaver, Chester E. Cobb, Myron M., Jr.
Becker, William P. Cockrell, Fred T.
Bell, George M. Cody, Harold R.
Bellinger, Duane J., Jr. Colbert, Vernon E.
Jr. Colkitt, Benjamin E.,
Jr.
Bellis, Charles A. Compton, Oliver D.
Bennett, Edgar T. Connolly, Joseph A.
Benton, Burgin "L" Cook, Francis C.
Berg, Frederick E. Cook, John F.
Bergey, Gale L. Cooper, George R., Jr.
Bergsma, Earl R. Copeland, James D.
Berkstresser, Charles C. Copeland, William E.
C. Corcoran, Thomas J.
Bertoglio, Lloyd W. Corkran, Richard L.,
Bevan, Thomas Q. Jr.
Bigelow, Charles C. Corner, Sheldon L.
Bigelow, Marvin R. Cornish, James E.
Bigham, Frank, Jr. Cortner, Howard M.
Bing, John H.

commendation ought to be bestowed on the gentleman from California [Mr. HEALY], who has been very much interested in this matter. He is the chairman of the subcommittee that handled it, and through his persistent effort, finally, I believe, we are going to get a day-care bill which will meet the requirements and do the job for Washington.

Mr. DONDERO. Mr. Speaker, will the gentleman yield? What is the age limitation prescribed in the bill as to the children who can be taken care of?

Mr. DIRKSEN. The term that is used in the bill is "under school age."

Mr. COFFEE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the House Subcommittee on the District of Columbia Appropriations gave consideration to the prayerful request of many needy and indigent mothers who came before our committee seeking our help at the time the annual District of Columbia appropriation bill was before us. Considerable testimony was taken from these worthy ladies and we were very much persuaded of the justice of their general plea, but did not believe we had the jurisdiction at that time to originate the proposal in our committee. We suggested to these worthy ladies that they go before the District of Columbia Legislative Committee and see that the bill contained proper safeguards against the District of Columbia assuming the costs of child care for parents who are financially able to take care of their own children. This the committee has done. I take advantage of this occasion to commend the District of Columbia Legislative Committee, its distinguished and industrious chairman, the gentleman from South Carolina [Mr. McMILLAN], and also the very able gentleman from California [Mr. HEALY] who was chairman of the subcommittee which had within its jurisdiction this particular proposition, who worked long hours, day and night, trying to get support for his proposal. I want to commend him and commend the members of the committee for going along. The only concern of the Appropriations Subcommittee is that the District of Columbia be not put in the position of pouring out unlimited sums of money for a cause, no matter how meritorious. The committee has taken care of that by limiting the total sum. It has taken care of it by inserting a proviso in the bill which directs that only care should be extended to children of genuinely indigent parents.

I want to assure the Members of the House that when a man so cautious and painstaking as the brilliant Republican Congressman from Illinois [Mr. DIRKSEN] has looked over a bill and has found it is worthy and meritorious, those of us who may have similar apprehension about grievously overloading the taxpayers of the District need have no further qualms in the matter.

I want to commend the gentleman from Illinois [Mr. DIRKSEN] also for the very fine and diligent work he has always performed in behalf of the District. A man as busy as he is, a man so devoted to the public welfare, who still finds time to spend on the District of Co-

lumbia problems, deserves the commendation of all of us, regardless of our political complexions. That likewise goes for the District of Columbia legislative committee membership, who worked day and night in behalf of the District of Columbia taxpayers and the people of the National Capital. They are doing a remarkable job and deserve the commendation of this city, of its newspapers, the Congress, and of the country. The new chairman of that committee, the gentleman from South Carolina [Mr. McMILLAN], who succeeded the gentleman from West Virginia [Mr. RANDOLPH], is taking hold of things in very laudable fashion and deserves the encouraging backing of all of us, as do the other hardworking members of the District of Columbia legislative committee.

The SPEAKER. The time of the gentleman from Washington has expired.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CREATING A DEPARTMENT OF CORRECTIONS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 6265) to create a Department of Corrections in the District of Columbia, and I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. McMILLAN]?

Mr. SMITH of Virginia. Reserving the right to object, Mr. Speaker, this is a very important matter and involves a reform of the penal institutions of the District of Columbia. It so happens that the greater portion of the penal institutions of the District of Columbia are in Virginia, in my district. I do not think this subject has been given as careful consideration and as thorough consideration as I believe it ought to have. I would like to see it explored more fully.

As far as the institutions in Virginia are concerned, we have had no breaks. We are getting along all right. I think much of the trouble had here has been due to a division of authority and to the fact that they have been experimenting with the subject. I do not want to see any more experiments until we can study the matter a little more carefully. I asked the gentleman from Louisiana [Mr. HEBERT] to defer this matter for a couple of weeks so we could have some hearings and go into it a little more fully. I wish the gentleman would accede to that request. I dislike to have to object.

Mr. HEBERT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HEBERT. I dislike to disagree with my distinguished friend from Virginia, but I cannot agree with him on this matter when he says that the subject has not been explored thoroughly and completely. The bill which is now before the House is a bill which was gone into after thorough hearing by a subcommittee. It has the commendation

of the Commissioners of the District of Columbia. Nothing can be gained by delaying the bill at this time. As a matter of fact, I think if the bill is delayed it may cause its subsequent death, and that is something that cannot be done at this time. As much as I dislike to disagree with the gentleman, of course if the gentleman wishes to object, that is his privilege, but I cannot agree with him that the matter should be delayed.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. STEFAN. Mr. Speaker, I was informed that about 13 organizations were studying this situation of public welfare in the District of Columbia. It does seem to me this legislation should be deferred in view of the fact that these citizens who are directly interested and who pay the taxes here should be given an opportunity to finish their study. I understand their report will be coming in within a very short time.

Mr. SMITH of Virginia. May I say to the gentleman from Nebraska that there is a bill pending, which likewise has the approval of the District Commissioners, to do this whole job in one bill. I happen to be chairman of the subcommittee in charge of that bill. I have been waiting until this investigation was completed hoping that we could have some hearings on that bill and do the whole job at one time.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Minnesota.

Mr. O'HARA. I wish to say to the gentleman from Virginia that this bill was reported by the subcommittee which investigated the jail situation.

Mr. SMITH of Virginia. I understand that.

Mr. O'HARA. Of which I happen to be a member.

This legislation was intended as a temporary effort to take care of conditions which needed immediate remedying. It is not intended as permanent legislation, and I am sure the gentleman from Louisiana [Mr. HEBERT], chairman of the subcommittee will bear me out in that statement. It is in the nature of stopgap legislation to handle the matter until a complete study of the situation can be made.

Mr. SMITH of Virginia. But the fact is that it is permanent legislation. Once the bill is enacted it becomes permanent law.

Mr. O'HARA. It will not be when the other study is completed. The gentleman from Virginia, I believe, is in charge of the bill which has to do with the permanent study of this situation. If another jail break should occur it might well occur because this legislation had not been passed. This bill is intended as a stop-gap measure. I think if the gentleman thoroughly understood it he would be in favor of it.

Mr. SMITH of Virginia. There is nothing temporary about the bill; it is permanent legislation.

Mr. HEBERT. Furthering what the gentleman from Minnesota has already said, I may add that the Federal Bureau of Investigation has conducted its own

investigation in connection with the jail situation. A possible break out of the jail could occur if we do not legislate very promptly to relieve the situation.

Mr. SMITH of Virginia. I challenge the gentleman's statement that the passage of this legislation now would prevent another jail break. What we need is permanent legislation that places the responsibility in one man instead of putting it in several different agencies so there can be no discipline. At the present time there is not a single person who has the right to hire or fire any guard. As a matter of fact the jail break which all the noise has been about was not due to any defect in the jail, it was not due to any defect in the personnel of the jail. It was due to criminal negligence of two members of the police force who were borrowed by the jail authorities. The gentleman knows that is true.

Mr. HEBERT. All right; now the gentleman from Virginia compels me to say something here that I would prefer not to say, but the gentleman is certainly not conversant with what went on in that jail when you can have a situation in the District of Columbia, the Nation's Capital, where women are brought into the death cell for the satisfaction of the condemned prisoners. Do you tell me we do not need legislation?

Mr. SMITH of Virginia. Then why have not the hearings been printed so that the rest of us might have the advantage of the information the committee has?

Mr. HEBERT. There is no discipline in the jail.

Mr. SMITH of Virginia. Why have not the hearings been printed? I ask the gentleman.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, is the gentleman determined upon his objection?

Mr. SMITH of Virginia. Yes.

Mr. DIRKSEN. Then I will say there probably is no particular point in pursuing the discussion further at this time, that we should let it go over for further consideration by the subcommittee.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. SMITH of Virginia. Mr. Speaker, I object.

Mr. McMILLAN of South Carolina. Mr. Speaker, I withdraw the bill from consideration today.

VETERANS' EMERGENCY HOUSING ACT,
1946

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CALL OF THE HOUSE

Mr. BRADLEY of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

Abernethy	Folger	Murphy
Bailey	Gardner	Norton
Baldwin, Md.	Gearhart	Outland
Baldwin, N. Y.	Grant, Ind.	Patterson
Bell	Hale	Powell
Bender	Hall	Price, Fla.
Biemiller	Leonard W.	Priest
Bonner	Hand	Reece, Tenn.
Buck	Hare	Reed, Ill.
Buckley	Hart	Robertson,
Butler	Hartley	N. Dak.
Byrne, N. Y.	Henry	Rodgers, Pa.
Cannon, Fla.	Herter	Roe, N. Y.
Case, S. Dak.	Hinshaw	Russell
Celler	Hobbs	Sabath
Clark	Horan	Sheppard
Cochran	Jarman	Slaughter
Corbett	Johnson, Ind.	Stewart
Curley	Jonkman	Stigler
Daughton, Va.	Keogh	Summers, Tex.
Dawson	Kirwan	Tolan
De Lacy	Kopplemann	Towe
Dingell	LaFollette	Wadsworth
Douglas, Calif.	Lanham	Wasielewski
Drewry	Lea	Weaver
Eaton	Lyle	Welch
Elsesser	Mansfield, Tex.	White
Engle, Calif.	Morrow	Winter
Feighan	Monroney	Wolfenden, Pa.
Flannagan	Morgan	
Flood	Mundt	

The SPEAKER. Three hundred and forty-two Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Clerk read the statement of the managers on the part of the House.

(For conference report and statement, see proceedings of the House of Friday, May 10, 1946.)

Mr. SPENCE. Mr. Speaker, the matters contained in the conference report have been debated at such great length, I am sure all Members of the House are familiar with them. Nothing is in disagreement. All of the conferees but one of the House and Senate have signed the report.

Mr. Speaker, I now yield 8 minutes to the gentleman from Michigan [Mr. CRAWFORD].

(Mr. CRAWFORD asked and was given permission to revise and extend his remarks.)

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from New York.

Mr. TABER. If there is any sincerity on the part of the Housing Administration I wonder why they have granted a permit to build a great big expensive sports arena back of the Dorchester Apartments on Sixteenth Street?

Mr. CRAWFORD. I do not know. I thought buildings of that kind were to be eliminated until this housing program is

completed. I am not informed on that matter.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from New York.

Mr. KEARNEY. I have been advised by the office of CPA that that building permit was granted on May 2 and they will start work Wednesday.

Mr. CRAWFORD. I thank the gentleman.

Mr. Speaker, conscientiously I declined to sign the conference report. Having considered this proposal since last December 1 I have not yet been able to convince myself that the provisions of this bill will benefit the veterans of this country and certainly I have not been able to convince myself that it is a sound program for the so-called civilian population of the United States to support.

I shall leave it to the future to answer the question as to whether or not this proposal is a child of economic ignorance or pure political opportunism. There are certain facts which we have to face. During and following the War of 1812 there was a rise in prices. Shortly following the close of the war commodity prices broke and declined for a long period. Following and during the Civil War we had a high-price situation which governed, with the prices breaking about the close of the war, the so-called economic wash-out occurred, and our people liquidated themselves and went back to their normal way of living. Following the World War that ended in November 1918 we had for a number of months a rise in prices and in due course the commodity market broke again and we suffered another economic wash-out. We paid the price for our previous wartime destruction and then went on our way.

Many of the economic elements which governed on those three occasions which I have mentioned are now shaping up. This program is designed to go out and build homes for veterans at what I believe to be approximating the peak of prices following this last war. We here induce veterans to buy those homes on an experimental basis and run along and pay for perhaps 3, 4, or 5 years, and then have a commodity price situation, including labor, where they could no longer maintain their so-called equities in those homes because it would not pay them to do so economically. All because of the break in commodity prices. Mr. Speaker, I cannot conscientiously induce myself to go along on such a program, and therefore I am opposed to this conference report and I am opposed to this bill. Whatever the political consequences may be as a result of that opposition, I assume my share of those.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Georgia.

Mr. TARVER. I note that in the conference report provision is made for \$15,000,000 for access roads to standing timber on lands owned by any Government agency. Is there any standing timber

available except under the jurisdiction of the Forest Service?

Mr. CRAWFORD. I do not know of any. Later there might be. There might be in the working out of this program thousands of timber acres brought in under the jurisdiction of Mr. Wyatt.

Mr. TARVER. But this refers to timber on lands owned by some Government agency.

Mr. CRAWFORD. Unless the language is changed, it did not in the bill only refer to Government owned land. The bill also covered lands under the jurisdiction of an agency of Government.

Mr. TARVER. I am reading from the conference report. The House has made provision in the agricultural appropriation bill for an adequate amount of money for forest roads and trails. Why should we make additional provision in this bill?

Mr. CRAWFORD. I raised the question, if the gentleman will recall, previously; I mean, before this conference report. The original bill called for \$25,000,000. I raised the question in conference as to the necessity for the \$25,000,000 in view of what the gentleman has just stated, that is, the provision previously made, and it was then decided to cut the \$25,000,000 down to \$15,000,000.

Mr. TARVER. Neither the Forest Service nor the Public Roads Administration has indicated to the Subcommittee on Agricultural Appropriations that they needed this money for this purpose, and I am wondering why the conferees decided that they did.

Mr. CRAWFORD. Well, I decided it should not be in there, and I refused to sign the conference report. The gentleman will notice on page 9 that this \$15,000,000 applies for the construction of access roads to standing timber on lands owned by or under the jurisdiction of an agency of Government. I do not know how far the powers of Mr. Wyatt will be extended. In my opinion, the power granted in this bill are the broadest and most far-reaching this Congress has ever delegated to any Government agency.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from California.

Mr. PHILLIPS. I have a brief question. Does the gentleman see any possible chance of building any houses for the veterans directly as a result of this bill?

Mr. CRAWFORD. I do not. At no time have I been convinced that there would be.

Some of the influences now at work following this great war in which we destroyed facilities and when production was interfered with are that the backlog of so-called buying power was tremendously increased, and the demand for everything in the way of consumer goods and capital goods has been stepped up measured by the excess dollars we have. We are short on capital goods and consumer goods; we are short on buildings, on houses, on machinery, and on railroad equipment. The sum of all these presents to us staggering figures. The spendable funds created through the waging of this war, not only in the United States but throughout the whole world, are potentially able to express themselves

in all markets—legitimate as well as illegitimate. Never before in all history did civilized society have so much money to spend—and where are the goods and services to be bought? Mr. Chairman, let it now be recorded again that we face some very hard conditions. We have yet to prove that you can spend \$400,000,000 financing a great and destructive war and then turn around and spend the same dollars again for the comforts and pleasures of life. Let this present tide now based on deficit financing and the monetizing of the debt once turn in the opposite direction and we can witness a terrific decline in the value of commodities, panic selling of corporate securities and Government bonds, millions of unemployed, a general collapse in the prices of industrial and agricultural goods and commodities, another panic far exceeding that of 1938, and a form of social revolution with which we would have no pleasure in dealing. Such a calamity coming at a time when veterans are loaded with houses built and sold to them under the Wyatt housing plan could bring to them economic washouts sufficient to destroy all their accumulated savings. I shall not be a party to such a game at the cost of the Veterans of World War II.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. ELLIS].

[Mr. ELLIS addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. ELLIS asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, this conference report comes back in pretty general agreement and in much better shape than I expected to see the enactment as it was originally passed by the House last March. Time will not permit my discussing more than one point, but I do want to say something with regard to the \$400,000,000 provision for premium payments to induce maximum production of building material for these homes for veterans. I supported and voted for this proposal in the Monroney amendment when the bill was before the House early last March, the proposal to provide \$600,000,000 for production subsidies on such building materials. Of course, if we cannot get agreement on \$600,000,000 for that important purpose, then I approve the \$400,000,000 which is recommended in this report.

There has been an unusually bitter debate in both Houses of Congress and in the country generally over this provision of a certain sum of money furnished Expediter Wilson Wyatt to accelerate the production of building materials now in scarce supply. Some who say they are good economists declare that this idea is economic heresy, and they imply that it will not help the veterans one bit in getting homes, but rather it will hinder the general program of veterans housing and will be an outright waste of public funds, which will

be added to the debt which the veterans themselves will be called on to pay. I must be terribly blind and entirely unfamiliar with economics if these voices in opposition are correct, for I cannot see it that way at all.

Yes, I can see that if the Government borrows money and spends that money, that the taxpayers, many of whom are veterans, will have to dig it up sometime, but it is a question of whether it is better to dig up \$400,000,000 for a great benefit or dig up 10 times \$400,000,000 for a lesser benefit. It is a matter of comparison. The opponents of this idea say, "Simply raise the price and the scarce materials will come flooding on the market." I think these scarce materials will come forth all right in considerably increased quantities, but the question is: "How much increase in price will accomplish that purpose?" And I think the law of diminishing returns will set in and there would come a slowing up of production regardless of how much the price may be increased. Will any of these economists stand up and guarantee that, starting from conditions and prices as they are today, the increased production of scarce building material can be accelerated in direct proportion to the increase in the price thereof? Can the economists guarantee an increasing acceleration of production varying directly as the accelerated increase in price? I doubt it. But even if it were true, it would mean that in order to multiply the increase of this scarce and necessary article tenfold the price must be increased tenfold, and I would like to ask how many veterans are going to buy homes built with such material or how many veterans can attempt to build homes with the price of such materials skyrocketing.

Even in this brief debate allowable under the House rules on a conference report, and certainly in the general debates on the Patman bill last March, the opponents implied—if they did not state outright—that Wilson Wyatt was an ignoramus who had never built a house in his life, was an administration pet, who merely wanted Congress to write him a blank check for \$600,000,000 probably for use in political purposes, to build shacks and chicken coops to offer to the veterans who would be forced to take the things to supply a roof over their heads. Now, have I stated the case of the opposition too strongly or absurdly? Well, read the CONGRESSIONAL RECORD and judge, but I feel safe in saying that the assumption of the opposition has been that Wilson Wyatt is not a businessman to do this job and that it will be bungled at the public expense and to the veterans' loss.

Now, I do not understand that this enactment gives Wilson Wyatt the responsibility of building these houses. It is not my conception of this measure that it gives him \$400,000,000 to play with and that he is likely to go and build barracks, such as the Army built over the country during the war. I understand that if Wilson Wyatt has a grain of sense that he is charged with the job of increasing production of all types of building material in scarce supply, both conventional and new material, needed

in the building of homes, and he is to do that in conjunction with the Office of Price Administration. Of course, prices of lumber and soil pipe or any one of a variety of building materials, may have to be increased some to bring it out. In fact, it must be increased to get producers to produce it. But not increased freely according to the avarice of the producer, for OPA must have ceilings, and those ceiling prices must be kept down if veterans are going to buy or build homes, and it is up to Wilson Wyatt to use \$400,000,000 to see that proper amounts of material are available in the yards and on the market for the building trade at not exorbitant prices, but reasonable prices. As I said, such reasonable prices may be higher than they now are, but not nearly as high as they would be without ceilings and without an Expediter with funds to subsidize production. Of course, this is done at the taxpayers' expense, but for the veterans' benefit and for the businessman's reasonable profit. Under this plan the businessman will not make that reasonable profit unless he produces the goods, and I dare say that a hundred dollars of taxpayers' money wisely and properly fed into the channels of trade by the Expediter will hold down the price of the finished home to the veteran as the ultimate consumer to the extent of a thousand dollars. That is why I am for these production subsidies.

(Mr. MURDOCK asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, the gentleman from Michigan [Mr. CRAWFORD] has pointed out to you that this bill gives unusual powers to the Housing Expediter. He will have the power to—

issue such orders, regulations, or directives to other executive agencies—

"To other executive agencies." That means to any or all other executive agencies—

(including the Office of Economic Stabilization and the Office of Price Administration) as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter.

While we struck out from the bill passed by the House the snooping provisions, there is language in this bill which will restore those provisions, in my opinion:

The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of this act and may exercise any power or authority conferred upon him by this act through such department, agency, or officer as he shall direct.

Then this bill provides for a guaranteed market for not to exceed 200,000

homes. Think of the Government of the United States guaranteeing a market for homes, when there is the greatest market for homes in this country there has ever been.

Miss SUMNER of Illinois. They are already finding out in Chicago and some of the other places where they have built these homes that the people do not like them. The Government will probably have to pay for a lot of them because the people do not want them.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. BUFFETT. I think it should be pointed out to the House also with reference to this guaranteed market for homes at a time when more people are looking for homes than at any time in our history, the guaranty provides that the manufacturer gets 90 percent of his standard delivery price and not 90 percent of the cost.

Mr. SMITH of Ohio. The least we can do here today is to understand what this action means. We are now concluding the nationalization of the building industry. Let us make no mistake about it. We have here the pattern that it may be expected the New Deal will follow from now on to completely nationalize, that is socialize, all industry, and put this Nation in the same position economically and politically as Russia is today.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman.

Miss SUMNER of Illinois. The official Communist magazine, Political Affairs, says all they need to have to communize housing and nationalize the housing industry is this bill, the Wyatt program, and the Wagner-Taft-Ellender bill.

Mr. SMITH of Ohio. Certainly. They understand this proposition very thoroughly. Make no mistake about it. The Communists are back of this bill.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. BUFFETT. In this connection, it should be pointed out that in the March issue of the official Communist magazine in this country they said, "We are for this program; we go all-out for it."

Mr. SMITH of Ohio. Certainly; that is to be expected from the Communist group.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. JENNINGS. This guaranty on the price of these prefabricated Martin boxes or chicken coops or whatever you want to call them simply enables the man who is on the ground floor to play with loaded dice and if he makes something that nobody wants to live in, he is guaranteed in effect a profit on that fiasco that has been perpetrated on the people politically and otherwise.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Miss SUMNER of Illinois. Under this program they have the right to put an OPA ceiling on so as to keep the legitimate producers out at the same time

that they can give Kaiser and these other people free factories through rapid tax amortization privileges and set up a CIO and make their own millionaires at the expense of the veterans and the Federal Government.

The SPEAKER. The time of the gentleman from Ohio has expired.

[Mr. ROBSION of Kentucky addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. ROBSION of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I cannot support this bill. I believe it will result in the prevention of the construction of houses. It sets up an intricate red tape proposition. Its operations so far, have indicated a greater tendency to non-housing construction than anything I have ever seen. The operation that was referred to a little while ago up on Sixteenth Street, the big sports arena being allowed to be built when we cannot have housing facilities built, the operation of the tremendous red tape and intricate applications that are required to be put in and sent long distances away from the place where the houses are to be built, the delay that results in those applications, no opportunity for them to be settled on the ground, failure to grasp the situation with reference to the production of lumber, their failure to grasp the need of seeing that properly seasoned lumber is put into these buildings—that whole thing has impressed thinking people with the idea that the bill will be carried out in such a way as to prevent the construction of houses for veterans.

Miss SUMNER of Illinois. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. It is already apparent and obvious that this thing is a racket for the pets of the administration, and we would have to have rose-colored glasses that were red not to see it.

Mr. TABER. Well, it is worse than pets of the administration. It would not be anything to benefit the veterans at all the way the thing is set up and the way it is operated. That is why I cannot support it.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Speaker, this conference report provides for the allocation of \$15,000,000 of these so-called premium payments, against which I felt obliged to vote a few days ago, for the construction of access roads to standing timber on lands owned by or under the jurisdiction of an agency of the Government.

There is no agency of the Government having any standing timber available except the Forest Service. Our Subcommittee on Agricultural Appropriations this year endeavored to find out as best we could the need of the Forest Service

for funds in order to make available Government timber resources for the housing program. We stressed the fact in the hearings that we thought every possible effort should be made to make those resources available. If the Forest Service felt any need of any funds for the purpose of building access roads other than those for which provision has been made, and in the amount of \$15,000,000 additional money it failed to indicate that fact to the membership of the Subcommittee on Agricultural Appropriations. Therefore, it seems to me that this \$15,000,000 is something that has been flopped into the bill by somebody who wanted to show how much he thought of the veterans. It would not do the veterans any good and unless it does it is unfair to the American taxpayer. I cannot understand and so far nobody has offered to explain just why this \$15,000,000 should have been dumped in here. Perhaps \$15,000,000 is not enough to excite anybody's attention.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield.

Mr. MASON. The understanding is that private timber, being a scarce article, will be put under the supervision of this Expediter and then it would come under the provisions of this \$15,000,000.

Mr. TARVER. The conference report reads:

Access roads to standing timber on lands owner by or under the jurisdiction of an agency of the Government—

That could mean nobody else except the Forest Service; and the Forest Service, as I have said, has indicated no need for this \$15,000,000. So why in the world there should have been \$15,000,000 included here is impossible to understand unless it is simply the desire of somebody to show that he is accomplishing something for the veteran, which, in my judgment, he is not.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. TARVER. I yield.

Mr. CRAWFORD. I should like to be helpful in this, but as I understand the powers conferred by this bill, Mr. Wyatt can take any part of the \$400,000,000 which we give to him and use it to induce those who own timber lands to turn those timber land or any part of them over to him in connection with this program and that as soon as they come under the direction of this agency then he can use any part or all of this \$15,000,000 for the building of access roads to that timber.

Mr. TARVER. If that is the purpose of including this \$15,000,000 then why is it not made clear in the conference report? If the purpose is to build access roads in the national forests then the necessity for the authorization is certainly not only apparent but cannot be made apparent because there is no necessity for it.

Mr. CRAWFORD. I agree with the gentleman on that.

The SPEAKER. The time of the gentleman from Georgia has expired.

FINAL HOUSING BILL IS GOOD LEGISLATION—VETERANS' PROGRAM NOW CAN MOVE INTO HIGH GEAR

Mr. PATMAN. Mr. Speaker, probably no act of the Seventy-ninth Congress will be of more benefit to the American people than last Thursday's vote on premium payments in the housing bill. In keeping with the finest traditions of our form of Government, out of the fire and fury of controversy and debate has come a good law—a law that will bring homes to hundreds of thousands of our returning servicemen. The bill, as now agreed upon in the conference report, should provide a firm, sound legislative foundation on which the President can establish a building program such as this Nation has never before seen in its history.

Many irresponsible statements have been made about this bill which are not deserving of an answer and which I will ignore in this discussion.

It is true that a good deal of time has elapsed since last November 20, the date on which I had the honor to introduce this particular legislation into the House of Representatives; but that time has been well spent. As I said when the bill first came before the Banking and Currency Committee for consideration, it contained many rough spots which needed ironing out, and I stood completely ready to accept any amendments which might offer a better or more practical way to provide housing for our veterans.

I had spent 6 weeks in writing the bill, and had sought the counsel and advice of experts in the housing field—both within and without Government—but, as all of us know, no man can foresee all the contingencies and the obstacles which might arise in consideration of such a measure, nor its effect on all the differing phases of our economy.

In these ensuing months the measure has been continually hammered and polished. Defects have been found and torn out. Misunderstandings have been corrected until now, as the measure moves toward final legislative action, we have a sound, workable act. In view of these facts, I repeat again, these months of work have been very beneficially spent.

As it stands today, the bill contains the same working principles with which we started out. It provides for a Housing Expediter with sufficiently broad powers to take the necessary steps to gear Government and industry into a high-speed machine to produce the greatest possible number of houses in the shortest space of time. It will permit the Expediter to attack the housing crisis with the same speed and dispatch with which we attacked our production problems during the war.

It gives veterans first priority on new shelter being built. It channels existing supplies of materials into the lower cost homes that veterans can afford to buy. It provides for liberalization of loan guaranties so that financing is removed as an obstacle to home construction.

Designed strictly as an emergency measure, it is set to expire on December 31, 1947, so that the extraordinary powers granted to the Expediter will not re-

main too long in the hands of the executive agencies—yet the time limit should be sufficient to meet the problems involved.

Through the use of guaranteed markets, the bill will give the necessary incentive to permit establishment of the prefabricated housing industry on a volume production basis. This provision should go a long way toward introducing new materials into America's housing; toward modernizing our antiquated system of building codes; toward opening new fields of enterprise for all builders; and finally, through use of the unparalleled American know-how in mass production, toward providing more houses at less cost than our Nation has ever had.

Finally, the Congress saw fit to provide \$400,000,000 to be used as premium payments to spur production of all building materials. The President has described this provision as the "heart" of the building program. Unquestionably, this provision will be the major factor in enabling all of our productive facilities—little mills as well as big ones—to go into full capacity production making the materials that the country so desperately needs; yet, at the same time, avoiding the inflationary spiralling of prices which could so easily bring disaster to the builders, as well as the buyers.

Naturally, I would have liked to have seen ceiling prices imposed on existing homes to hold down uncontrolled inflation. Now our only hope is that increased production of building materials, spurred by premium payments, will build new houses rapidly enough and at low enough prices to save the situation before present homes go so high in price that the great mass of the people cannot buy them.

As it stands now, H. R. 4761 is a good bill. As Mr. Wilson Wyatt, the Housing Expediter, said:

This throws the veterans' housing program into high gear.

Mr. SPENCE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 130, noes 65.

Mr. SPENCE. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 298, nays 71, answered "present" 1, not voting 60, as follows:

[Roll No. 117]

YEAS—298

Abernethy	Beckworth	Bryson
Adams	Bell	Bulwinkle
Allen, La.	Bennet, N. Y.	Bunker
Almond	Bennett, Mo.	Burch
Anderson, Calif.	Biemiller	Byrne, N. Y.
Andrews, Ala.	Blackney	Camp
Andrews, N. Y.	Bland	Campbell
Angell	Bloom	Canfield
Auchincloss	Bolton	Cannon, Mo.
Barden	Boren	Carlson
Barrett, Pa.	Boykin	Carnahan
Barry	Bradley, Pa.	Case, N. J.
Bates, Ky.	Brooks	Case, S. Dak.
Bates, Mass.	Brown, Ga.	Celler
Beall	Brown, Ohio	Chapman

Chelf	Heffernan	Patman	Norrell	Schwabe, Mo.	Stockman
Chiperfield	Hendricks	Peterson, Fla.	O'Hara	Schwabe, Okla.	Sumner, Ill.
Clason	Henry	Peterson, Ga.	Phillips	Scrivner	Taber
Clements	Herter	Pfeifer	Rankin	Shafer	Tarver
Coffee	Heseltan	Philbin	Reed, Ill.	Short	Wadsworth
Cole, Kans.	Hess	Pickett	Reed, N. Y.	Simpson, Pa.	Winter
Cole, Mo.	Hobbs	Pittenger	Rich	Smith, Ohio	Woodruff
Colmer	Hoch	Ploesser	Rizley	Smith, Wis.	
Combs	Hoeven	Plumley	Rockwell	Stefan	
Cooley	Hollfield	Poage			
Cooper	Holmes, Wash.	Powell			
Courtney	Hook	Price, Fla.			
Cox	Hope	Price, Ill.			
Cravens	Howell	Priest			
Crosser	Huber	Quinn, N. Y.			
Cunningham	Hull	Rabaut			
D'Alesandro	Izac	Rabin			
Davis	Jackson	Rains			
Delaney,	Jennings	Ramey			
James J.	Johnson, Calif.	Randolph			
Delaney,	Johnson,	Rayfiel			
John J.	Luther A.	Rees, Kans.			
D'Ewart	Johnson,	Rea			
Dirksen	Lyndon B.	Richards			
Dolliver	Johnson, Okla.	Riley			
Domengeaux	Judd	Rivers			
Dondero	Kean	Robertson, Va.			
Doughton, N. C.	Kearney	Robinson, Utah			
Douglas, Calif.	Kee	Robson, Ky.			
Douglas, Ill.	Keefe	Roe, Md.			
Doyle	Kefauver	Rogers, Fla.			
Drewry	Kelley, Pa.	Rogers, Mass.			
Durham	Kelly, Ill.	Rogers, N. Y.			
Earthman	Kerr	Rooney			
Eberhart	Kilday	Rowan			
Elliott	King	Ryder			
Elsaesser	Klein	Sabath			
Elston	Kunkel	Sadowski			
Engel, Mich.	Landis	Sasscer			
Ervin	Lane	Savage			
Fallon	Larcade	Sharp			
Feighan	Latham	Sheridan			
Fenton	LeCompte	Sikes			
Fernandez	Lesinski	Simpson, Ill.			
Fisher	Lewis	Slaughter			
Flannagan	Link	Smith, Maine			
Flood	Luce	Smith, Va.			
Fogarty	Ludlow	Somers, N. Y.			
Forand	Lynch	Sparkman			
Fuller	McConnell	Spence			
Fulton	McCormack	Springer			
Gallagher	McCowan	Starkey			
Gamble	McDonough	Stevenson			
Gardner	McGehee	Stigler			
Gary	McGlinchey	Sullivan			
Gathings	McKenzie	Sundstrom			
Gavin	McMillan, S. C.	Talbot			
Geelan	McMillen, Ill.	Talle			
Gerlach	Madden	Taylor			
Gifford	Mahon	Thom			
Gillette	Maloney	Thomas, N. J.			
Gillie	Manasco	Thomas, Tex.			
Goodwin	Mankin	Thomason			
Gordon	Mansfield,	Tibbott			
Gore	Mont.	Torrens			
Gorski	Marcantonio	Traynor			
Gossett	Martin, Iowa	Trimble			
Graham	Martin, Mass.	Vinson			
Granahan	Mathews	Voorhis, Calif.			
Granger	May	Vorys, Ohio			
Grant, Ala.	Michener	Vursell			
Green	Miller, Calif.	Walter			
Gregory	Mills	Weichel			
Hagen	Morrison	Welch			
Hall,	Murdock	West			
Edwin Arthur	Murphy	Whitten			
Hall,	Murray, Tenn.	Whittington			
Leonard W.	Murray, Wis.	Wickersham			
Halleck	Neely	Wigglesworth			
Harless, Ariz.	Norblad	Wilson			
Harness, Ind.	O'Brien, Ill.	Winstead			
Harris	O'Brien, Mich.	Wolverton, N. J.			
Havenner	O'Konski	Wood			
Hays	O'Neal	Woodhouse			
Healy	O'Toole	Worley			
Hébert	Outland	Zimmerman			
Hedrick	Pace				

NAYS—71

Allen, Ill.	Clippinger	Hill
Andersen,	Cole, N. Y.	Hoffman
H. Carl	Crawford	Holmes, Mass.
Andresen,	Curtis	Jenkins
August H.	Dworshak	Jensen
Arends	Ellis	Johnson, Ill.
Arnold	Ellsworth	Jones
Barrett, Wyo.	Fellows	Jonkman
Bishop	Gibson	Kilburn
Bradley, Mich.	Gillespie	Kinzer
Brehm	Griffiths	Knutson
Buffett	Gross	LeFevre
Byrnes, Wis.	Gwinn, N. Y.	Lemke
Chenoweth	Gwynne, Iowa	McGregor
Church	Hale	Mason
Clevenger	Hancock	Miller, Nebr.

ANSWERED "PRESENT"—1

Brumbaugh

NOT VOTING—60

Bailey	Grant, Ind.	Norton
Baldwin, Md.	Hand	Patrick
Baldwin, N. Y.	Hare	Patterson
Bender	Hart	Reece, Tenn.
Bonner	Hartley	Robertson,
Buck	Hinshaw	N. Dak.
Buckley	Horan	Rodgers, Pa.
Butler	Jarman	Roe, N. Y.
Cannon, Fla.	Johnson, Ind.	Russell
Clark	Keogh	Sheppard
Cochran	Kirwan	Stewart
Corbett	Kopplemann	Sumners, Tex.
Curley	LaFollette	Tolan
Daughton, Va.	Lanham	Towe
Dawson	Lea	Wasielewski
De Lacy	Lyle	Weaver
Dingell	Mansfield, Tex.	White
Eaton	Morrow	Wolcott
Engle, Calif.	Monroney	Wolfenden, Pa.
Folger	Morgan	
Gearhart	Mundt	

So the conference report was agreed to.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Monroney with Mr. Hartley.
Mr. Lyle with Mr. Mundt.
Mr. De Lacy with Mr. Bender.
Mrs. Keogh with Mr. Rodgers of Pennsylvania.
Mr. Roe of New York with Mr. Wolcott.
Mr. Bailey with Mr. Reece of Tennessee.
Mr. Kopplemann with Mr. Johnson of Indiana.
Mr. Dawson with Mr. Baldwin of New York.
Mr. Sheppard with Mr. Horan.
Mr. Hart with Mr. Wolfenden of Pennsylvania.
Mr. Wasielewski with Mr. Hand.
Mr. Dingell with Mr. Grant of Indiana.
Mr. Hare with Mr. Gearhart.
Mr. Lanham with Mr. Corbett.
Mr. Stewart with Mr. Eaton.
Mr. Patterson with Mr. Butler.
Mr. Cochran with Mr. Robertson of North Dakota.
Mr. Mansfield of Texas with Mr. Buck.
Mr. Buckley with Mr. Towe.
Mr. Folger with Mr. Morrow.
Mr. Lea with Mr. Hinshaw.

Mr. SHARP changed his vote from "nay" to "yea."

Mr. RAMEY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD immediately preceding the vote on the conference report on the veterans' housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend and revise their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

TO EXTEND SELECTIVE TRAINING AND SERVICE ACT

Mr. SPENCE. Mr. Speaker, pursuant to unanimous consent heretofore obtained, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 159, to extend the Selective Training and Service Act of 1940, as amended, until July 1, 1946.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 159, with Mr. BULWINKLE in the chair.

The Clerk read the title of the Senate resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. According to the consent request under which this bill is called up, the gentleman from Kentucky [Mr. MAY] is recognized for 1 hour and the gentleman from New York [Mr. ANDREWS] for 1 hour.

Mr. MAY. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Kentucky is recognized for 10 minutes.

Mr. MAY. Mr. Chairman, the membership of this body knows that we have had in effect during the entire period of the war—in fact, prior to actual hostilities—what is known as the Selective Training and Service Act, the law under which we raised our Army for the wars through which we have just passed. A year ago it would have expired but for the fact that your Committee on Military Affairs brought to the House of Representatives an amendment extending it for a period of 1 year, or until midnight tomorrow. I believe the record will disclose that when it was extended the last time for the period I have just mentioned it was done by unanimous consent in less than 5 minutes. We were then at war. We were then engaged in actual conflict throughout the world.

The act is again about to expire. This House passed on the 10th day of April a bill which would have extended it until February 15, 1947. That bill has been pending in another body since the 15th day of April, or 1 day less than 1 month.

The other body advises me, after about six or seven trips to see about the matter, that it is in a log jam where it cannot take up anything except the pending bill, which is the one commonly known as the Case bill. That has finally been brought up in the Senate.

In that dilemma it passed on last Friday Joint Resolution 159, which merely provides that section 16 (b) of the Selective Training and Service Act of 1940, as amended, is amended by striking out "May 15, 1946," and inserting "July 1, 1946." In other words, the pending resolution extends the original Selective Service Act, as amended, until July 1. I do not know what was in the mind of

May

22

[PUBLIC LAW 388—79TH CONGRESS]

[CHAPTER 268—2D SESSION]

[H. R. 4761]

AN ACT

To expedite the availability of housing for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new housing, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Emergency Housing Act of 1946".

SEC. 1. (a) The long-term housing shortage and the war have combined to create an unprecedented emergency shortage of housing, particularly for veterans of World War II and their families. This requires during the next two years a house-construction program larger than ever before. The first step toward such a program is to overcome the serious shortages and bottlenecks with respect to building materials, to expedite the production of such materials, to allocate them for house construction and other essential purposes, and to accelerate the production of houses with preferences for veterans of World War II and at sales prices or rentals within their means. To carry out this program, it is necessary to invest a housing expediter with adequate powers, including the power to issue policy directives. Accomplishment of these objectives will assist returning veterans to acquire housing at fair prices, stimulate industry and employment, prevent a post-emergency collapse of values in the housing field, and promote a swift and orderly transition to a peacetime economy.

(b) The provisions of this Act, and all regulations and orders issued thereunder, shall terminate on December 31, 1947, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the provisions of the Act are no longer necessary to deal with the existing national emergency, whichever date is the earlier.

(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

SEC. 2. (a) There is hereby created an office to be known as Housing Expediter; and the President is authorized, by and with the advice and consent of the Senate, to appoint an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as an independent officer of the Government. In the event of an appointment of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his appointment hereunder. If, however, such Housing Expediter is appointed within an existing agency of the Government, he shall receive compensation in compliance with the laws and regulations applicable to officers within such agency; if the Housing Expediter is appointed as an inde-

pendent officer of the Government, he shall receive compensation at the rate of \$12,000 per annum.

(b) The Housing Expediter, in addition to such other functions and powers as may be delegated to him by the President, is authorized to—

(1) formulate such plans and programs as are necessary to provide for an increased supply of housing accommodations of all kinds and, in particular, of homes available for sale or rental at moderate prices to veterans of World War II and their immediate families;

(2) issue such orders, regulations, or directives to other executive agencies (including the Office of Economic Stabilization and the Office of Price Administration) as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs. Each executive agency shall carry out without delay the orders, regulations, or directives of the Housing Expediter, and shall, to the extent necessary, modify its operations and procedures from time to time to conform to the directions of the Housing Expediter;

(3) recommend to the President the enactment of such legislation as may be necessary to provide the authority to carry out such plans and programs as are not authorized under existing law;

(4) consult and cooperate with other agencies of the Federal Government, State and local governments, industries, labor, and other groups, both national and local, with respect to the problems created by the housing emergency and the steps which can be taken to remedy it.

(c) The executive agencies of the Government shall exercise their emergency powers and other powers for the purpose of aiding in the solution of the problems created by the existing housing emergency, the alleviation of which is vital to an orderly transition from war to peace.

(d) (1) All functions, powers, authority, or duties vested in the Office of War Mobilization and Reconversion or the Director thereof by the War Mobilization and Reconversion Act of 1944 which are or may be necessary or suitable to enable the Housing Expediter to carry out the provisions of this Act and such plans and programs as such Housing Expediter may develop for the alleviation of the housing emergency, are hereby transferred to the Housing Expediter. The powers so transferred shall include the power to issue orders, regulations, or directives to other executive agencies with respect to the exercise by such agencies of their respective powers and authority.

(2) The powers so transferred shall continue during the period in which this Act is in effect, notwithstanding any other provision terminating such powers contained in the said War Mobilization and Reconversion Act of 1944.

SEC. 3. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this Act have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish maximum sales prices

for such housing accommodations in accordance with the provisions of this Act. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this Act. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this Act shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this Act shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this Act.

(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of this Act and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. Any regulation or order under this Act may contain such classifications and differentiations and may provide for such adjustments and

reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this Act. The Expediter shall have power to forbid the exportation to any foreign country of any lumber or other materials which are needed for the housing program.

SEC. 4. (a) Whenever in the judgment of the Expediter there is a shortage in the supply of any materials or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, such materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this Act.

(b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) satisfying the housing requirements of veterans of World War II and their immediate families, (2) the need for the construction and repair of essential farm buildings, and (3) the general need for housing accommodations for sale or rent at moderate prices. In order to assure preference or priority of opportunity to such veterans or their families, the Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families: *Provided*, That the Expediter by appropriate regulation may allow for hardship cases.

(c) The provisions of this section shall not be construed as in any way affecting the power of the President to assign priorities or to allocate any materials or facilities under the provisions of subsection (a) of section 2 of the Act of June 28, 1940, entitled "An Act to expedite national defense, and for other purposes" (50 U. S. C. 633), as amended.

SEC. 5. It shall be unlawful for any person to effect, either as principal or broker, a sale of any housing accommodations at a price in excess of the maximum sales price applicable to such sale under the provisions of this Act, or to solicit or attempt, offer, or agree to make any such sale. It shall be unlawful for any person to violate the terms of any regulation or order issued under the provisions of this Act. Notwithstanding any termination of this Act as contemplated in section 1 (b) hereinabove, the provisions of this Act, and of all regulations and orders issued thereunder, shall be treated as remaining in force, as to rights or liabilities incurred or offenses committed prior to such termination date, for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

SEC. 6. Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this Act may petition the district court of the district in which he resides or has his place of business for a review of such action, and such district court shall have jurisdiction to enjoin or set aside, in whole or in part, such action or to dismiss the petition. No such action shall be enjoined or set aside, in whole or in part, unless the petitioner establishes to the satisfaction of the court that such action is not in accordance with

law, is unsupported by competent, material, and substantial evidence, or is arbitrary or capricious.

SEC. 7. (a) Whenever in the judgment of the Expediter any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 5 of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Expediter that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order, may be granted and if granted shall be granted without bond.

(b) Any person who willfully violates any provision of section 5 of this Act, and any person who knowingly makes any statement false in any material respect in any description or statement required to be filed under section 3, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than one year, or to both such fine and imprisonment. Whenever the Expediter has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 5 of this Act, and, concurrently with State and Territorial courts, of all other proceedings under this section. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Expediter or the United States Government in any proceeding under this Act.

(d) If any person selling housing accommodations violates a regulation or order prescribing a maximum selling price, the person who buys such housing accommodations may, within one year from the date of the occurrence of the violation, bring an action for the amount by which the consideration exceeded the maximum selling price, plus reasonable attorney's fees and costs as determined by the court.

SEC. 8. As used in this Act—

(a) The term "maximum sales price" means the maximum price for which any housing accommodations the construction of which is completed after the effective date of this Act may be sold and includes the total consideration which may be paid by the buyer for such housing accommodations with accompanying land and improvements, excluding only those incidental charges, such as brokerage fees or commissions or charges, which buyers or sellers of such housing accommodations customarily assume in the community where such accommodations are located and which actually have been incurred for services rendered at the buyer's or seller's request.

(b) The term "person" includes an individual, corporation, partnership, association, or any other organized group of any of the foregoing, or legal successor or representative of any of the foregoing.

(c) The term "district court" means any district court of the United States, and the United States court for any Territory or other place subject to the jurisdiction of the United States.

(d) The term "veterans of World War II" shall include persons who have served in the active military or naval forces of the United States on or after September 16, 1940, and prior to the termination of hostilities in World War II, and who have been discharged or released therefrom under conditions other than dishonorable, and persons serving in the military or naval forces of the United States requiring housing accommodations for their dependent families.

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act: *Provided, however,* That so much of the First Deficiency Appropriation Act, 1946 (Public Law Numbered 269, Seventy-ninth Congress, approved December 28, 1945), as reads "*Provided, That none of the funds available under this head for administrative expenses shall be used in paying the salary of any person engaged in making or processing loans in excess of \$500,000 to any State, any subdivision thereof, any municipality therein, or any public authority, for construction purposes, unless in pursuance of a specific authorization, except, however, that this provision shall not apply to any application or loan approved or made prior to December 15, 1945*", shall not apply to loans made for construction, removal, or remodeling of housing by publicly supported educational institutions where made for the purposes of housing veterans enrolled and attending such institution.

SEC. 10. (a) Section 603 (a) of the National Housing Act, as amended, is hereby amended to read as follows:

"(a) In order to assist in relieving the acute shortage of housing which now exists and to increase the supply of housing accommodations available to veterans of World War II at prices within their reasonable ability to pay, the Administrator is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided, and, upon such terms as the Administrator may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed \$2,800,000,000 except that with the approval of the President such aggregate amount may be increased to not to exceed \$3,800,000,000: Provided further, That no mortgage shall be insured under this title after June 30, 1947, except (A) pursuant to a commitment to insure issued on or before June 30, 1947, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage: And provided further, That the Administrator shall, in his discretion, have power to require the availability for rental purposes of properties covered by mortgages insured under this title, in such instances and for such periods of time as he may prescribe.*"

(b) Section 603 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Administrator shall approve) in an amount not to exceed 90 per centum of the Administrator's estimate of the necessary current cost (including the land and such initial service charges and such appraisal, inspection, and other fees as the Administrator shall approve) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction. The principal obligation of such mortgage shall in no event, however, exceed—

"(A) \$5,400 if such dwelling is designed for a single-family residence, or

"(B) \$7,500 if such dwelling is designed for a two-family residence, or

"(C) \$9,500 if such dwelling is designed for a three-family residence, or

"(D) \$12,000 if such dwelling is designed for a four-family residence:

Provided, That the Administrator may, if he finds that at any time or in any particular geographical area it is not feasible, within such limitations of maximum mortgage amounts, to construct dwellings without sacrifice of sound standards of construction, design, or livability, prescribe by regulation or otherwise higher maximum mortgage amounts not to exceed—

"(A) \$8,100 if such dwelling is designed for a single-family residence, or

"(B) \$12,500 if such dwelling is designed for a two-family residence, or

"(C) \$15,750 if such dwelling is designed for a three-family residence, or

"(D) \$18,000 if such dwelling is designed for a four-family residence."

(c) Section 603 (b) (5) of the National Housing Act, as amended, is hereby amended to read as follows:

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed 4 per centum per annum on the amount of the principal obligation outstanding at any time."

(d) Section 603 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of the third sentence the word "emergency" and inserting in lieu thereof the words "shortage of housing", and (2) by striking out the last sentence thereof and inserting in lieu thereof the following sentence: "The Administrator shall prescribe such procedures as in his judgment are necessary to secure to veterans of World War II, and their immediate families, and to hardship cases as defined by the Administrator, preference or priority of opportunity to purchase or rent properties covered by mortgages insured under this title."

(e) Section 604 (b) of the National Housing Act, as amended, is hereby amended by striking out the words "appraised value of such property as determined by the Administrator" and inserting in lieu

thereof the following: "Administrator's estimate of the necessary current cost".

(f) Section 608 (b) of the National Housing Act, as amended, is hereby amended:

(1) by amending paragraph numbered (2) thereof to read as follows:

"(2) Preference or priority of opportunity in the occupancy of the mortgaged property for veterans of World War II and their immediate families, and for hardship cases as defined by the Administrator, shall be provided under such regulations and procedures as may be prescribed by the Administrator.";

(2) by amending paragraph (3) (C) to read as follows:

"(C) not to exceed \$1,500 per room for such part of such property or project as may be attributable to dwelling use: *Provided*, That the Administrator may increase this amount to \$1,800 where in his discretion cost levels so require."; and

(3) by striking out "reasonable replacement cost" and inserting in lieu thereof "necessary current cost".

(g) Section 608 (c) of the National Housing Act, as amended, is hereby amended by inserting in the third sentence before the semicolon at the end of clause (C), the following: "and any mortgage insurance premiums paid after default".

SEC. 11. (a) The last paragraph of section 2 (c) of the Emergency Price Control Act of 1942, as amended (50 U. S. C. 902 (e)), shall not apply to subsidies, which the Reconstruction Finance Corporation may make hereunder, in the form of premium payments used only to the extent that the Housing Expediter (after considering all available means) finds them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being: *Provided*, That not more than \$400,000,000 shall be used for such premium payments.

(b) The following standards shall be applied by the Housing Expediter to premium payments:

(1) Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved), where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

(2) The value of the units of production to which premium payments are applied (A) in the case of any new producer (except of new type materials) shall not exceed 50 per centum of the value at the producers' level of the output of such producer, and (B) in the aggregate shall not exceed 30 per centum of the value at the producers' level of all materials needed for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being. The average rate of premium payments shall not exceed 25 per centum of the value of the units of production to which they are applied.

(3) Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

(4) The stimulation of necessary additional production by premium payments shall place emphasis upon avoiding either economic dislocations or adverse effects upon established business.

(5) New type materials to which premium payments are applied shall be tested for sound quality.

(c) Not more than \$15,000,000 of the funds made available under this section may be used to the extent that other funds are unavailable for the construction of access roads to standing timber on lands owned by or under the jurisdiction of an agency of Government.

SEC. 12. (a) The powers vested in the Reconstruction Finance Corporation pursuant to clause (a) of section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3)), may be used to underwrite or guarantee markets for new type building materials and prefabricated houses, but only to the extent that the Housing Expediter finds this necessary to assure a sufficient supply for the veterans' emergency housing program: *Provided*, That the number of prefabricated houses covered by outstanding underwriting or guaranty (including such houses as may be held by the Housing Expediter) shall at no time during the program exceed two hundred thousand.

(b) The following standards shall be applied by the Housing Expediter to such underwriting or guaranty:

(1) To avoid impairment of established enterprises, new type materials and prefabricated houses shall be encouraged only to supplement such expanded production of conventional type materials and houses (with access to available materials) as can be achieved with sufficient rapidity and economy.

(2) There shall be reasonable prospect of either (A) full return to the Government of any funds involved in such underwriting or guaranty, or (B) net cost to the Government substantially lower than under any other available method of achieving the necessary expansion of production. Toward this end, the underwriting or guaranty of such materials or houses shall not be for more than 90 per centum of the producers' standard delivery price. The Housing Expediter shall maintain constant review of experience toward the objective that the total net costs to the Government shall in no event exceed 5 per centum of the total amount of underwriting or guaranty undertaken.

(3) There shall be clear evidence that the new type materials or prefabricated houses require underwriting or guaranty only temporarily until they attain general market acceptability.

(4) Emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business.

(5) New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

(6) Any underwriting or guaranty shall require adequate showing by the producer that he has sufficient working capital and experience, and that he can achieve the desired production on time under conditions satisfactory to the Housing Expediter.

SEC. 13. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

Approved May 22, 1946.

